

adding to said paragraph "Also the value of the direct products of the soil in the hands of the producer or the proceeds of the sale of such products in the hands of the producer thereof to the value and amount of \$5,000"; to the Committee on Ways and Means.

By Mr. BURTNESS: A bill (H. R. 13634) for the purchase of a Federal building site at Fargo, N. Dak.; to the Committee on Public Buildings and Grounds.

By Mr. WURZBACH: A bill (H. R. 13635) for the acquisition of additional ground and the erection thereon of a public building or an addition to the present public building in San Antonio, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. GREEN of Iowa: A bill (H. R. 13636) to amend the Victory liberty loan act; to the Committee on Ways and Means.

By Mr. SINNOTT: A bill (H. R. 13637) to extend the time for the construction of a bridge over the Columbia River at a point approximately 5 miles upstream from Dallas City, Wasco County, in the State of Oregon, to a point on the opposite shore in the State of Washington; to the Committee on Interstate and Foreign Commerce.

By Mr. FOCHT: A bill (H. R. 13638) to amend an act of Congress approved June 18, 1898, entitled "An act to regulate plumbing and gas fitting in the District of Columbia"; to the Committee on the District of Columbia.

By Mr. RAMSEYER: A concurrent resolution (H. Con. Res. 78) creating a commission to be known as the joint commission on national defense; to the Committee on Rules.

By Mr. HILL: A resolution (H. Res. 477) directing the Judiciary Committee of the House to investigate certain charges purporting to have been written by WILLIAM D. UPSHAW, a Representative from Georgia, regarding the enforcement of prohibition, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHARACH: A bill (H. R. 13639) for the relief of Lee C. Davis; to the Committee on Claims.

By Mr. CURRY: A bill (H. R. 13640) granting a pension to Edward Powell; to the Committee on Invalid Pensions.

By Mr. FUNK: A bill (H. R. 13641) for the relief of James R. Sutton; to the Committee on Claims.

By Mr. GENSMAN: A bill (H. R. 13642) granting an increase of pension to Peter F. Weasel; to the Committee on Pensions.

By Mr. JAMES: A bill (H. R. 13643) granting a pension to Henry F. Hoffman; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 13644) to provide an examination and survey of Grays River, Wash.; to the Committee on Rivers and Harbors.

By Mr. KELLY of Pennsylvania: A bill (H. R. 13645) granting a pension to Mary M. Barnett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13646) for the relief of L. A. Levin; to the Committee on Claims.

By Mr. KNUTSON: A bill (H. R. 13647) granting an increase of pension to Horace G. Butterfield; to the Committee on Pensions.

By Mr. LITTLE: A bill (H. R. 13648) granting a pension to William H. Stark; to the Committee on Invalid Pensions.

By Mr. LONGWORTH: A bill (H. R. 13649) granting a pension to Mary A. Hopkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13650) for the relief of the United Theaters Co.; to the Committee on Claims.

By Mr. NORTON: A bill (H. R. 13651) granting a pension to Leonard G. Foster; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 13652) for the relief of John Mehan; to the Committee on Military Affairs.

Also, a bill (H. R. 13653) for the relief of Ruthie J. Nance, widow of Isaac N. Nance; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6723. By Mr. BURTNESS: Petition of members of Lebanon Lodge, No. 34, Ancient Free and Accepted Masons, Langdon, N. Dak., urging favorable consideration of the Towner-Sterling bill; to the Committee on Education.

6724. Also, petition signed by residents of Durbin, N. Dak., urging aid for poverty-stricken populace of German and Austrian Republics; to the Committee on Foreign Affairs.

6725. Also, petition of members of Lebanon Lodge, No. 34, Ancient Free and Accepted Masons, Langdon, N. Dak., urging

favorable consideration of Towner-Sterling bill; to the Committee on Education.

6726. Also, petition signed by residents of Casselton, N. Dak., urging aid for poverty-stricken populace of German and Austrian Republics; to the Committee on Foreign Affairs.

6727. By Mr. ELLIOTT: Petition of Omer E. Hey, Richard Roby, Addison Roby, Homer Ramey, Otto Jones, Thomas Simmons, Ralph Burleson, Lon Wood, Frank Smith, Ray W. Davis, Earl Fort, John A. Trowse, Clarence Holliday, Walter E. Woods, Gail Smoker, George W. Weber, Frank Hale, Harvey Woods, C. M. Lybrook, Charles Colvin, Walter Wissler, Harry Lambert, William Plankenharn, Rube Paddock, John Holler, Lawrence Burcham, James O. Burrsi, John A. Weber, H. B. Hamilton, C. E. Ham, Bert Wolting, Charles J. Kauffman, Lester Stinson, Lawrence Wissler, Thomas Chappelow, O. E. Saxton, Alden Naylor, Loat Shay, Joseph H. Weiss, Earl C. Leab, and Henry Bockos, to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6728. By Mr. FAUST: Petition of Mother Dolorosa and associates of the convent at Clyde, Mo., to extend relief to the peoples of the German and Austrian Republics; to the Committee on Foreign Affairs.

6729. By Mr. GRIEST: Petition of Claude V. Bender and others, residents of Penryn, Pa., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6730. Also, petition of J. H. Keener and other residents of Maytown, Pa., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6731. By Mr. KIESS: Petition of sundry residents of Sal-ladashburg, Pa., against tax on firearms and small-arms ammunition; to the Committee on Ways and Means.

6732. Also, evidence in support of House bill 13248, granting an increase of pension to Mary Marley; to the Committee on Invalid Pensions.

6733. By Mr. KISSEL: Petition of Frances T. Nash, State regent, New York Daughters of the American Revolution, relative to the \$500,000 fund now available in the War Department and urging immediate sum of \$6,000 to save the historic castle; to the Committee on Military Affairs.

6734. By Mr. McLAUGHLIN of Michigan: Petition of sundry citizens of Muskegon, Mich., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6735. By Mr. ROGERS: Petition of sundry citizens of the State of Massachusetts to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6736. By Mr. ROUSE: Petition of South Gate Club, of Cincinnati, Ohio, in favor of the Towner-Sterling bill; to the Committee on Education.

6737. By Mr. SMITH of Idaho: Petition of sundry citizens of Pocatello, Idaho, indorsing the Smith-McNary reclamation bill; to the Committee on Irrigation of Arid Lands.

6738. By Mr. TEMPLE: Petition of American citizens of Ukrainian origin as result of mass meeting held December 17, 1922, at McKees Rocks, Pa., relating to conditions in East Galicia; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, January 4, 1923.

(Legislative day of Wednesday, January 3, 1923.)

The Senate met at 12 o'clock meridian on the expiration of the recess.

The VICE PRESIDENT. The Senator from Texas [Mr. SHEPPARD] is entitled to the floor on the unfinished business, House bill 12817.

Mr. SMOOT. Will the Senator from Texas yield to me to present a report? I will say to the Senator that it will take me about 10 minutes.

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Utah for the purpose indicated?

Mr. SHEPPARD. I yield.

REPORT OF PUBLIC BUILDINGS COMMISSION.

Mr. SMOOT. Mr. President, I present a report from the Public Buildings Commission. The commission instructs me as its chairman to submit the following report to the Senate:

Since making its last report on June 3 this year the Public Buildings Commission has effected one conspicuous saving in the

amount the Government is now spending for the rental and upkeep of office buildings in the city of Washington. Reference is made to the Hooe Building, at 1330 F Street, which was vacated by the prohibition unit on November 1, thereby effecting a saving in rental and maintenance charges amounting to approximately \$75,000 a year. This saving has been partially offset by increases in the rental of the Department of Justice Building and the Atlantic Building, occupied by the United States Forest Service. The commission is now endeavoring to make arrangements whereby the Department of Justice can be transferred to the Munitions Building or some other fireproof Government-owned structure and thus eliminate the exorbitant rental of \$75,000 per annum which the department is paying for its present quarters. It is also the purpose of the commission to require the Forest Service to vacate the Atlantic Building as soon as suitable space can be made available in a Government-owned building.

The commission has in the past few months conducted intensive room-by-room surveys of the new Interior, Navy, and Munitions Buildings. The survey of the Interior Building brought out the fact that some 28,000 square feet of space could be saved by a better arrangement of personnel and equipment. As a result the department has been required to provide space in the building for the United States Coal Commission and to bring in the Bureau of Education from the Pension Office Building, thus relieving a congested situation in that structure.

The surveys also disclosed that 51,000 square feet of space can be made available in the Navy Building and 129,443 square feet in the Munitions Building. It is, of course, the purpose of the commission to make every effort to have this surplus space utilized to the best possible advantage.

Aside from the larger activities enumerated herein, the commission is constantly engaged in making numerous routine assignments of office space and such consolidations and rearrangements as appear to be for the best interests of the Government service as a whole.

The following tabulation shows the amounts the various departments were expending for the rental of office space on May 22, 1919, about the time this commission was organized, and the amounts being expended for rentals on December 1, 1922:

Department.	Annual rental, May 22, 1919.	Annual rental, Dec. 1, 1922.
Agriculture.....	\$190,910.00	\$146,710.00
Allen Property Custodian.....	31,200.00	
Civil Service Commission.....	16,875.00	16,875.00
Commerce.....	66,900.00	65,500.00
Court of Customs Appeals.....	7,000.00	7,000.00
Employees' Compensation Commission.....	3,600.00	
Federal Board for Vocational Training.....	6,400.00	
Federal Trade Commission.....	12,600.00	
General Accounting Office.....		64,900.00
Interior.....	23,000.00	
International Boundary Commission.....	2,040.00	
International Joint Commission.....	1,724.00	
Interstate Commerce Commission.....	72,058.04	72,058.04
Justice.....	36,000.00	78,000.00
Labor.....	58,368.60	28,000.00
Panama Canal Office.....	7,500.00	
Railroad Administration ¹	86,985.00	
Shipping Board.....	210,105.56	
State.....	5,000.00	
Tariff Commission.....	11,000.00	
Treasury.....	174,839.00	42,150.00
War.....	111,797.08	7,500.00
Total.....	1,135,897.28	524,693.04

¹ Rental for building occupied by the Railroad Administration is now being paid by funds derived from operation of the railroads.

A total of \$13,500 has been appropriated by Congress for the expenses of the Public Buildings Commission, of which amount there is now an unexpended balance of \$2,922.65 in the Treasury.

PURCHASE OF THE SITES OF THE TEMPORARY BUILDINGS WEST OF SEVENTH STREET.

The Independent offices appropriation act approved June 12, 1922, appropriated \$1,500,000 for the purchase of seven squares of ground between Eighteenth and Twenty-first Streets and between B Street and New York Avenue NW. This appropriation was based upon options which had been secured previous to the passage of the act, but there was considerable delay in the passage of the bills, so that the options expired before it became a law. It was feared that some difficulty would be met in securing this land at the option figures, due to the fact that the options had expired before the funds became available.

In reality, however, the superintendent of the State, War, and Navy buildings reports that the purchases are being made at considerably lower figures on the average than the option figures. As an illustration of this, the square occupied by the War Trade buildings, known as temporary No. 5, between B and C Streets and between Twentieth and Twenty-first Streets NW., was purchased at an average cost of approximately \$1.95 per square foot. An appraisal recently made by a disinterested board placed that value at \$2.75 per square foot. In this one square alone there is an approximate saving of \$75,000 over the appraised valuation. It is believed that the purchase of all the seven squares, which has now been consummated or is in process of satisfactory negotiations, will result in a saving of between \$250,000 and \$300,000 over the estimates upon which the appropriation was based.

A PUBLIC BUILDING PROGRAM.

One fact which is becoming more evident each day is that the Government should at the earliest possible moment embark upon a building program which will lead to the housing of all departments and independent establishments in permanent Government-owned structures. The commission is rapidly approaching a point where it will be impossible to effect further reductions in rentals unless new buildings be erected. To illustrate the urgent necessity for immediate action, the attention of Congress is directed to the fact that there are now in existence 12 of the so-called temporary war buildings, comprising a total floor area of 2,380,559 square feet. The best judgment of those in position to know is that these structures can not possibly last more than 8 or 10 years longer, and even then it will probably be necessary to spend vast sums for their repair. In fact, one of them is deteriorating so rapidly at this time that the constant expenditure of considerable funds is necessary to make it habitable. The building referred to is the old War Industries Building at Fourteenth and B Streets and occupied by an important unit of the Bureau of Internal Revenue.

It is very evident that immediate steps should be taken to replace these structures with permanent buildings. While officials in charge of them take the most elaborate precautions against fire and are doing everything that is humanly possible to guard against it, nevertheless the danger is always present. Their destruction by fire would almost certainly entail the loss of valuable and, in many cases, irreplaceable records, as well as the possibility of loss of human life. The Government would then be forced to rent private buildings at a tremendous outlay of money.

Aside from the urgent necessity of replacing the temporary buildings, there are other and equally as serious situations demanding relief.

The present haphazard housing of the Department of Agriculture is cited as an example. This department, one of the worst-housed institutions in the city, occupies 22 buildings of all possible types, in widely scattered locations. It does not require a very discerning mind to picture the great economy and increased efficiency which would inevitably result from bringing this great activity together in one location in buildings adapted to its needs.

The Bureau of Internal Revenue of the Treasury Department is another activity which is suffering by reason of inadequate housing. This important unit should by all means be housed in one building, instead of being distributed around in nine different locations as at present. Officials of the bureau estimate that a saving of 25 to 30 per cent in the cost of collection of taxes could be effected should they be housed in one building.

The General Accounting Office, now located in 19 different buildings, would function with highly increased efficiency if located in one building.

The erection of the following buildings at an early date is earnestly recommended:

1. A modern office building, well lighted, with appropriate but simple finish, on square east of 88, between Twentieth and Twenty-first Streets and B and C Streets NW., land now owned by the United States and admirably adapted to the construction of an office building; this building to be approximately six stories and basement, providing a floor space of 900,000 square feet, sufficient to take care of both the internal revenue office and the Comptroller General's office.

2. The demolition of the buildings south of Pennsylvania Avenue, between Fourteenth and Fifteenth Streets NW., and the erection thereon of the three buildings for which plans have already been prepared, with such modifications in the plans that will make it possible to meet the present-day needs of the departments.

3. The procurement of a site for the construction of an archives building and the construction of this building according to plans already completed and approved.

4. The erection of 15 stories of steel filing stacks in the interior court of the Pension Office Building at an estimated cost of \$1,000,000. If these stacks are installed it will result in making of the Pension Office Building an ideal archives building. That building is fireproof and is isolated from other buildings. In addition, there is no heating plant in it, as it is heated from the Land Office Building. The danger from fire, therefore, would seem to be reduced to an absolute minimum.

There are summarized below the arguments for the erection of these stacks in the court of the Pension Office Building:

(a) A building admirably adapted for the purpose is already erected.

(b) The present use of the building could continue without interference.

(c) The court in which it is contemplated erecting the steel stacks contains 4,000,000 cubic feet of space, practically all of which is wasted.

(d) The proposed stacks, if installed, would make use of 2,894,008 cubic feet of space which is now wasted.

(e) The proposed stacks would provide 729,929 linear feet of shelving (approximately 138 miles), or 220,356 shelves (not including top shelves), with a net filing capacity of 948,900 cubic feet.

(f) The estimated cost of erecting an archives building to accommodate an equal amount of shelving, including necessary stairways, elevators, corridors, toilets, etc., would be \$1,680,000. This figure is based upon a cost of \$0.56 per cubic foot for a building of 3,000,000 cubic feet capacity. This cost is very reasonable. In addition, the shelving for such a building would cost \$500,000, and the land would represent an outlay of \$200,000 more. The total cost would therefore be \$2,380,000 (approximately).

(g) The cost of making provision for the same amount of filing space for the Pension Office Building would be approximately \$1,000,000.

(h) If a new archives building were erected it would be necessary to provide a force for guarding it and for maintaining and operating it. If these shelves are erected in the Pension Office Building, the present guard and maintenance forces would not have to be augmented. The only additional cost would be for electricity for lighting.

(i) If these filing stacks were installed an almost unlimited amount of space now occupied by files in office buildings could be relinquished for office purposes. A study is being made as to approximately how much office space could be given up as a result of the erection of these stacks and the saving which would result through the giving up of rented buildings.

Data concerning the proposed filing stacks in the interior court of the Pension Office Building.

Estimated cost of proposed filing stacks in interior court of the Pension Office Building	\$1,000,000
Net cubic capacity	948,900
Total number of shelves (not including top shelves)	220,356
Total number of shelves (including top shelves)	224,052
Linear feet of shelves (not including top shelves)	729,929
Linear feet of shelves (including top shelves)	742,172
Total length in miles of shelves (not including top shelves) equal approximately	138

Estimated cubage of building that would be required for this amount of shelving if placed in rooms of ordinary type	3,000,000
Estimated cost of erection of this amount of shelving if placed in such a building	\$500,000
Estimated cost of erection of such a building	\$1,680,000
Cubage of court	4,000,000
Cubage of building	6,170,200
Cubage of space occupied by stacks	2,894,008

Estimated annual saving to the Government as a result of the installation of these stacks.

500,000 square feet of space released at estimated annual cost, including maintenance, of 80 cents per square foot	\$400,000
Less:	
Interest on \$1,000,000 at 4½ per cent.	\$42,500
Lighting and cleaning 390,000 square feet of space in filing stacks (only maintenance work required) at 10 cents per square foot	39,000
	81,500
Net saving per annum, in addition to annual saving	\$318,500
Value of steel filing cases released and made available for use at approximately \$3 per square foot (cost is about \$6 per square foot) for one-half area of stacks	600,000

Another great need, as the commission sees it, is the erection of a large fireproof warehouse in a suitable location for the use of the General Supply Committee. Their supplies are now stored for the most part in the old barrack buildings in East Potomac Park. These structures, aside from being eyesores in a public park, are rapidly falling to pieces and afford but little protection to the goods stored there.

This commission is unanimously of the opinion that Congress should at once authorize the expenditure of some twenty-five or thirty million dollars for the construction of suitable public buildings in Washington. This amount could be appropriated at the rate of two or three million dollars per annum, and should this recommendation be favorably acted upon it is confidently believed that within a few years all Government activities in Washington will be housed in permanent fireproof buildings. It is also recommended that the Public Buildings Commission be designated as the agency which shall decide which buildings are to be built and where they are to be located. This will enable the commission to lay out the plans of housing the various departments and will make it possible to consider the whole matter from the broad general viewpoint of the best interests of the Government. In the past it has been the custom of the various departments and bureaus to submit their individual building needs to Congress, without regard to any general plan, and this has naturally resulted, and will continue to result, in numbers of buildings being most unfortunately located. The commission, having had nearly four years' experience in dealing with the assignment of space in the public buildings, believes it is qualified to say just what the needs of each department are and where the buildings should be located.

It is suggested that the legislation herein proposed authorize the commission to submit an estimate to the Director of the Budget each year prior to the December session of Congress, which estimate shall state the amount required for carrying on the work for the ensuing fiscal year. It is also suggested that the commission be authorized to apportion the work of preparation of plans, letting of contracts, and supervision of construction of the buildings herein proposed among such agencies of the Government as appear best qualified to do the work.

Thus it would merely be the duty of the commission to—

1. Submit the annual estimates to the Director of the Budget as outlined above.

2. Decide what buildings are actually needed by each department and bureau.

3. Decide what type of building is to be built.

4. Decide where each building is to be located.

The various buildings recommended herein could be constructed under the general authorization suggested above. The commission earnestly hopes that Congress will take some action in the near future with a view to the adequate housing of the Federal departments.

During the reading of the report by Mr. SMOOT,

Mr. FLETCHER. Mr. President, may I ask the Senator what building it is where there is now so much waste space?

Mr. SMOOT. It is the old Pension Office Building. The Senator has been in it and knows that in the center of it there is a space that is not occupied for any purpose, but is a perfect waste of valuable space. We can put steel stacks in there, and in that way save over 2,000,000 cubic feet of space in other buildings which is occupied now for storage purposes. I have the blue prints, I will say to the Senator, and the estimated cost for putting the 15 stories of steel stacks in the Pension Office Building would be not to exceed \$1,000,000, and we would save at least \$600,000 every year thereafter as a result.

Mr. FLETCHER. The stacks are proposed for storage purposes?

Mr. SMOOT. For record purposes. Not only that, but the Senator knows that the records of the departments now in many cases are placed in large boxes and the lids fastened down and the boxes stored in space which might otherwise be occupied by employees of the Government. When a paper contained in one of those boxes is needed, it is necessary to send four or five colored men, who have, perhaps, to take four or five of those great boxes down in order to find the one desired, open it, and fish out of that box the paper that is wanted, sometimes taking days to do it, whereas if we had the stacks all these papers could be stored in them and cross-indexed, so that any person could go and find a desired paper within five minutes after reaching the building.

Mr. SHEPPARD. Mr. President, may I ask the Senator the present status of the project for an archives building?

Mr. SMOOT. The Senator will notice that the commission have recommended that the building be erected, and if the recommendations of the commission shall be followed out the building will be erected.

Mr. OVERMAN. To what commission does the Senator from Utah refer—to the Fine Arts Commission?

Mr. SMOOT. No; I refer to the Public Buildings Commission.

Mr. OVERMAN. Where is it proposed that these new buildings shall be erected?

Mr. SMOOT. If the Senator from North Carolina had been present he would have known that I have already made a statement as to that. For instance, we recommend that three of the principal buildings shall be erected on the squares just south of the Willard Hotel. The Government owns those two squares, together with the street running between them. The commission recommends that the old buildings now occupying that site shall be demolished and that three buildings be erected there.

I will also say to the Senator that the plans for those buildings, which have already been drawn, were adopted by the old commission of which, I think, the Senator from North Carolina was a member.

Mr. SHEPPARD. Has a site been selected for the archives building?

Mr. SMOOT. There was a site selected for that building, but, as the Senator knows, there was objection made here on the floor of the Senate by one of the Senators in the closing days of the session. When an appropriation was asked for, if I remember correctly, the House did appropriate the money for the erection of the building on that site. I have forgotten the exact location, but I think it was down where Eighteenth Street runs between B and C Streets. There is a square there on which the Fine Arts Commission have recommended that the archives building be located. That commission has also passed upon the plans for the building.

Mr. SHEPPARD. The Senator from Utah states that the other House voted to appropriate the money to construct a building on that site?

Mr. SMOOT. I think so.

Mr. SHEPPARD. What became of the appropriation when the bill carrying it came to the Senate?

Mr. SMOOT. The Senate did not agree to it, and the item went out of the appropriation bill.

Mr. SHEPPARD. And the result is that we have the site, but as yet have no appropriation for the building?

Mr. SMOOT. No, we have not the site; for the bill carrying the appropriation for the building also provided for the purchase of ground for the site.

Mr. SHEPPARD. So we have neither the site nor the money appropriated for the building?

Mr. SMOOT. Not as yet.

Mr. SHEPPARD. Mr. President, one of the most urgent needs of this Government is for a modern fireproof archives building.

Mr. SMOOT. I am going to ask for an appropriation of a million dollars in the proper appropriation bill to build the proposed steel stacks and to place them in the Pension Office. Should that appropriation be made, it will take care of many of the ordinary current records of the Government. That, however, will not interfere at all with the plan of erecting an archives building, I will say to the Senator from Texas.

Mr. SHEPPARD. I wish to say that as long ago as 1911, while I had the honor of being chairman of the Public Buildings Committee of the House of Representatives, that committee conducted an exhaustive investigation as to the status of the files and papers of the various governmental departments; and even at that time it was shown that the need for such a building was most urgent; that records of an invaluable nature were in danger of destruction; and that many of them were practically inaccessible.

Mr. SMOOT. The Senator from Texas is correct. I wish again to emphasize the fact that if \$1,000,000 be appropriated for that purpose the shelving space which will be furnished to the Government in the old Pension Office Building will aggregate 138 miles of linear feet; there will be 15 stories of shelving; and it will not cost the Government of the United States for maintenance a cent other than, perhaps, the electric lights which may be necessary on dark days or in evenings or mornings so that those desiring to examine the papers and records may go to the different stacks and get them.

Mr. SMITH. May I ask the Senator from Utah if the space which he proposes shall be utilized in the Pension Office Building will be in addition to the proposed archives building?

Mr. SMOOT. It will.

Mr. SMITH. In other words, what I am getting at is, what would be the necessity of spending a million dollars to provide facilities in the Pension Bureau if it is proposed to erect an archives building which will have sufficient space to take care of all of the records of the Government?

Mr. SMOOT. I will say to the Senator that the archives building as proposed will not be large enough to take care of all the records of the Government; but if so, the stacks we propose to purchase now can be used in the archives building. The provision to be made in the Pension Office will always be needed; there can be no question about that. We want a place

where the current records of the Government may be available at any time in order that it may be possible to secure a Government record or paper without hunting days for it.

Mr. BRANDEGEE. Mr. President, is this debate proceeding by unanimous consent?

The VICE PRESIDENT. The Chair has assumed that that was the case. Does the Senator object?

Mr. BRANDEGEE. I do not object to the Senator from Utah making his report and reading it; but I do not think this is the place or the time for discussing all the details of the report.

Mr. SMOOT. If the Senator from Connecticut objects, I will not take a moment further of the time of the Senate; but when an opportune time presents itself I will submit my report.

Mr. BRANDEGEE. I said I did not object to anything the Senator from Utah wanted to say; but I do object to the interruptions which lead to the discussion of the details which are no part of the report.

Mr. SMOOT. Mr. President, I am nearly through with my report, I will say to the Senator.

Mr. FLETCHER. Mr. President, I do not want to delay the Senator, but I am a little curious to know whether or not it is intended to spend a million dollars on stacks in a building which I am sure is not fireproof?

Mr. BRANDEGEE. It is just such interruptions as that I rose to object to, Mr. President.

Mr. FLETCHER. As I understand, the Pension Office is not a fireproof building.

Mr. BRANDEGEE. I object to debate, though I do not object to the Senator from Utah reading his report.

The VICE PRESIDENT. The Senator from Utah has the floor.

Mr. BRANDEGEE. I know he has, but some other Senator has not the floor, and I object to the Senator from Utah being interrupted.

Mr. SMOOT. Mr. President, I will conclude the presentation of the report.

The reading of the report having been concluded, it was ordered to lie on the table and to be printed in the RECORD in 8-point type.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

Mr. FLETCHER. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	George	McKellar	Sheppard
Brandegee	Glass	McKinley	Smith
Brookhart	Harrell	McLean	Smoot
Bursum	Harris	McNary	Spencer
Calder	Harrison	Nelson	Stanfield
Cameron	Heflin	New	Stanley
Capper	Hitchcock	Nicholson	Sterling
Caraway	Johnson	Norris	Sutherland
Couzens	Jones, Wash.	Oddie	Townsend
Culberson	Kellogg	Overman	Trammell
Curtis	Kendrick	Pepper	Wadsworth
Dial	King	Phipps	Walsh, Mass.
Dillingham	Ladd	Poin Dexter	Walsh, Mont.
Elkins	La Follette	Pomerene	Warren
Ernst	Lenroot	Ransdell	Weller
Fletcher	McCormick	Reed, Mo.	Williams
Frelinghuysen	McCumber	Robinson	

Mr. CURTIS. I desire to announce that the Senator from Ohio [Mr. WILLIS] is necessarily absent on account of serious illness in his family.

The PRESIDING OFFICER (Mr. FRELINGHUYSEN in the chair). Sixty-seven Senators having answered to their names, there is a quorum present.

Mr. SHEPPARD resumed and concluded the speech begun by him on yesterday. The entire speech will be published hereafter.

THE LEAGUE OF NATIONS.

Mr. WILLIAMS. Mr. President, I hold in my hand an article which I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[From the Labor World, May 27, 1922.]

WHERE'S WILSON'S LEAGUE? ASKS NEWS-TRIBUNE; MCCARTHY REPLIES—PARTY WOULD DESTROY WORLD'S CIVILIZATION.

Here is an able and instructive criticism of an editorial in the Duluth News-Tribune on "Where, oh, where is the League of Nations?" Mr. McCarthy tells 'em. He blames the Republican Party for the present European crisis and for the 5,000,000 unemployed workers in America.

Mr. McCarthy is a life-long Republican. He served as a member of the Minnesota Senate in the sessions of 1899 and 1901. He is one of the best-informed men in America on world events. His familiarity with them led him to follow closely the work of Woodrow Wilson. As an American he refused to join with his party in the assassination of the world's civilization by killing the League of Nations. His contribution in this number of the Labor World is a terrific indictment against the Harding administration.

REPUBLICANS MADE IT IMPOTENT, GRAND RAPIDS MAN DECLARES—PRESENT WORLD CRISIS DUE TO UNITED STATES.

The May 15, 1922, issue of the Duluth News-Tribune contained an editorial entitled "Where, oh, where is the league?" As it is a fair sample of the systematic scheme or plan of the Republican Party to mislead the public and make the League of Nations odious, we will give it some attention. It said:

"Where is the League of Nations? In a physical sense it is at Geneva, but in the sense of being worth a continental in the present European crisis it is nowhere.

"It is not easy to realize that Woodrow Wilson all but ruined his health for so inefficient a thing.

"It is impotent and gives no promise of accomplishing anything save finding a place in the budget of certain nations. Americans make errors like unto other peoples, but they at least did not make the stupendous blunder of joining the League of Nations."

We will dissect and analyze this stereotyped and canned Republican propaganda. It contains eight assertions:

1. That there is a present European crisis.
2. That this crisis is ominous, foreboding, portentous of danger.
3. That it ought to be adjusted, removed.
4. That there is a League of Nations.
5. That this league should have adjusted the trouble.
6. That the league is impotent, unable to remove the danger.
7. That the Republican Party prevented America joining the league.
8. That we did well not to join it.

With the first assertions or positions we have no quarrel. We will consider the eighth and discuss it solely from the standpoint or viewpoint of America's selfish interests—safety, security, business, pecuniary gain, material advantage. That puts us in the field of the avowed foreign policy of the Republican Party, "Islands, Oil, Dollars." The discussion will be on familiar ground.

WHOLE EARTH INVOLVED.

This present European crisis commenced July 28, 1914. From the beginning it involved the whole earth.

It still involves all nations, including the United States. In 1917 it dragged this country into a world war.

It dug the graves of 81,000 American soldiers.

It wounded, mangled, and disabled 250,000 other American soldiers.

It sowed the seeds of disease and death in the bodies of hundreds of thousands of other American soldiers.

It compelled us to loan over \$11,000,000,000 to European nations which can never be repaid until the crisis passes.

It compelled this Nation to contract a national public indebtedness of \$24,000,000,000, which we must pay.

COSTS MORE THAN WAR.

It compels us now to expend the enormous sum of over \$1,000,000 per day for hospital service for the wrecked and ruined lives of those who, but for it, would be self-supporting American citizens.

It caused us to suffer a financial loss in 1921 of over \$24,000,000,000, a greater sum than it cost us to fight the war.

It is causing this country to lose millions of dollars every day, right now, because of industrial conditions in Europe and throughout the world.

It compelled over 5,000,000 able-bodied Americans to tramp the streets and highways during 1921, looking for work and finding it not.

It promises to continue these conditions indefinitely into the future.

AMERICA AGAINST WAR.

At the close of the World War America's selfish interests required a settlement that would accomplish two things; one, that we should not be dragged by foreign nations into another war as we were into that one; and two, that the industries of the world, especially of Europe, should be promptly reestablished.

Europe owed us \$11,000,000,000 and we needed the money. We could get neither principal nor interest until Europe went to work. America is able to produce sufficient to have a foreign trade represented by exports and imports of \$15,000,000,000 annually. Because we can so produce, our domestic internal business and prosperity requires this foreign trade.

Of our total foreign trade over two-thirds is with Europe, when Europe is in a normal business condition. Every mill, mine, factory, and farm in America depends on the prosperity of Europe.

WILSON SAW CLEARLY.

At the close of the war there was one man in America who saw, understood, and appreciated the vital interest we had in a proper settlement of the war. That man was Woodrow Wilson. He knew that Europe could not do business with us to the amount of two-thirds of our foreign trade unless Europe settled down to business; that it was vital to us that Europe should settle down to business promptly.

He also knew that the only way to prevent political chaos, anarchy, and probable war likely to again involve America was to get Europe on her feet industrially. These things he set out to accomplish. He had in mind the welfare of his own country, the prosperity of his native land. He would save America from future wars, and give her a world-wide field in which to expand and develop.

RICHEST IN WORLD.

His country was the richest in the world, made so by the war. It was the creditor nation of the world, made so by the war.

It was the most powerful nation on earth, left so by the war.

Its mills, factories, mines, forests, and farms were all intact, ready for business.

It had unlimited resources, natural and artificial; labor, skilled and unskilled. It was ready to supply the world.

Restore stable conditions in Europe and America could do the rest. Establish sound credit in Europe and America would lift the stricken nations into the sunlight of prosperity.

LEAGUE WAS NECESSARY.

This he would accomplish by two things; one, a League of Nations; two, a reasonable settlement and adjustment of the obligations of Germany. Beginning in 1914 and continuing to the fall of 1918 America had considered and discussed the necessity of a League of Nations.

It was the consensus of opinion that such a league was necessary and that the time had arrived to create it. The key to a return of normal industrial conditions in Europe was the matter of German restitution and reparations. To accomplish a settlement of these matters required freedom from hatred, malice, and the passions engendered by the war.

At the close of the war there was but one nation on earth so conditioned as to be able to lead and guide the stricken world to a sensible, reasonable peace. That nation was the United States. No nation had a greater interest in the establishment of such a peace. Our financial interests, our industrial prosperity required it. One would have supposed that America would have been a unit, standing solidly in support of President Wilson and his administration in his efforts to secure such settlement. But such was not the case.

BEGAN TO CONSPIRE.

America, under the influence and guidance of the then Republican leaders, commenced, in December, 1918, and continued during the entire negotiations and work of the peace commission at Paris, to undermine, discredit, and destroy the standing, influence, and power of both President Wilson and the Nation at Paris.

The scheme was to make it appear in France, to cause the Peace Conference to believe that President Wilson did not represent America; that America was opposed to what he there advocated; that America was not in favor of a league of nations, and was not in accord with the President's ideas as to what would be a reasonable or sensible settlement with Germany.

In the matter of German restitution and reparations, these American conspirators declared that America stood with those who demanded the utmost of Germany, and that Mr. Wilson was trying to secure a "soft peace" for Germany, to let Germany off easy, to assist Germany in her efforts to escape restitution and reparation.

HARVEY'S TREASON.

By March, 1919, the Republican partisan press of this country filled the air with denunciations of President Wilson's attitude and objects in the matter of German reparations. The entire propaganda was prepared and carried on pursuant to a carefully arranged plan to accomplish the defeat of everything advocated by the President at Paris. The scheme was to ruin him and his cause; to destroy him.

The climax was reached by a false and libelous cartoon printed and published in the April 26, 1919, issue of Harvey's Weekly. The picture covered two full pages of the magazine. At the left was the symbolic figure or statue of Justice, standing erect, blindfolded, holding in her left hand the scales and in her right the sword. At the right, facing Justice, with hands uplifted in remonstrance and protest, stands President Wilson. Immediately behind him, crouching to the ground, skulking, hiding, is Germany, represented by the usual cartoon of a booted, helmeted, uniformed Hun. Underneath are the words "The Protector of the Huns."

INFAMOUS AND DAMNABLE.

Considering that picture in the light of what it expressed as to the attitude of America in the then crisis of the world, and in the light of the disastrous financial and industrial results actually experienced by America because of it, and in the light of present world conditions, it was probably the most infamous and damnable ever printed and published on this globe. But he who did it, whose genius put the soul of the Republican Party into it, has been rewarded for it by appointment as American ambassador to the Court of St. James.

The conspirators succeeded. American influence was reduced by their work to such an extent that a sensible adjustment of German reparations was not made, with the result that all Europe is still in turmoil, in a state of industrial chaos, to the damage of America in the sum of billions of dollars.

ULTIMATELY KILLED IT.

They succeeded also as to the League of Nations. While they failed in their efforts during the negotiations of the treaty to kill it, they have ultimately succeeded. Notwithstanding that 51 nations entered into it, signed the solemn compact, the written treaty, in good faith, hoping, trusting thereby to save the world, these conspirators have labored for three years to destroy it.

The League of Nations is impotent in the present crisis in Europe. There is nothing to take its place, to the great glee of that party. Meanwhile our industries languish and 5,000,000 able-bodied Americans are unemployed.

PETITIONS AND MEMORIALS.

Mr. WARREN presented the petition of Rawlins Lodge, No. 5, Ancient Free and Accepted Masons, of Rawlins, Wyo., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. ROBINSON presented a resolution adopted by Local Union, No. 1556, United Mine Workers of America, of Russellville, Ark., favoring prompt action by the Federal Government to remedy the faulty condition of railroad operating equipment, which was referred to the Committee on Interstate Commerce.

Mr. KENDRICK presented the petition of Rawlins Lodge, No. 5, Ancient Free and Accepted Masons, of Rawlins, Wyo., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

He also presented resolutions adopted by the Laramie (Wyo.) Council of Industry, protesting against the recommendation made by the Budget Bureau to appropriate only \$3,000,000 for forest roads and trails and urging the appropriation of \$6,500,000, the amount authorized by the act of June 19, 1922,

which were referred to the Committee on Agriculture and Forestry.

Mr. LADD presented the petition of Oscar Schmitler and seven other citizens of Wolford, N. Dak., praying for the enactment of legislation to stabilize the prices of farm products, which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of Rev. G. Wulschleger and 32 other citizens and of W. E. Lohr and 47 other citizens, all of Judson and vicinity, in the State of North Dakota, praying for the passage of legislation extending immediate aid to the famine-stricken peoples of the German and Austrian Republics, which were referred to the Committee on Foreign Relations.

Mr. NORBECK presented the petitions of Mahlon T. Lightner and 47 other citizens of Edmunds County and of M. L. Stavig and 132 other citizens of Roberts County, in the State of South Dakota, praying for the enactment of legislation to stabilize the prices of farm products, which were referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry citizens of Java and Mound City, S. Dak., praying the enactment of legislation extending immediate aid to the famine-stricken peoples of the German and Austrian Republics, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. NEW, from the Committee on Claims, to which was referred the bill (S. 4030) for the relief of Capt. Murray A. Cobb, reported it without amendment and submitted a report (No. 968) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

A bill (S. 419) for the relief of the owners of the steamship *Esperanza* (Rept. No. 969);

A bill (S. 420) for the relief of the Long Island Railroad Co. (Rept. No. 970); and

A bill (S. 421) for the relief of the owners of the steamship *Lexington* (Rept. No. 971).

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 3668) for the relief of Gertrude Lustig (Rept. No. 972);

A bill (H. R. 966) for the relief of the Tacoma Tug & Barge Co. (Rept. No. 973);

A bill (H. R. 2049) for the relief of the Delaware River Lightering Co. (Rept. No. 974);

A bill (H. R. 3461) for the relief of Eugene Fazzi (Rept. No. 975);

A bill (H. R. 4619) for the relief of the Link-Belt Co., of Philadelphia, Pa. (Rept. No. 976);

A bill (H. R. 4620) for the relief of Th. Brovig (Rept. No. 977);

A bill (H. R. 4622) for the relief of the Lloyd Mediterraneo Società Italiana di Navigazione, owners of the Italian steamer *Titania* (Rept. No. 978);

A bill (H. R. 5249) for the relief of Ephraim Lederer, collector of internal revenue for the first district of Pennsylvania (Rept. No. 979);

A bill (H. R. 5648) for the relief of Ike T. Boyles (Rept. No. 980);

A bill (H. R. 6177) for the relief of the owner of the fishing smack *Mary S. Dolbow* (Rept. No. 981);

A bill (H. R. 8214) to compensate the owners of the American steamship *Vindal* for damages and expenses in repairing the said steamship, and to make an appropriation therefor (Rept. No. 982);

A bill (H. R. 9887) for the relief of the Pennsylvania Railroad Co. (Rept. No. 983); and

A bill (H. R. 10287) for the relief of John Calvin Starr (Rept. No. 984).

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (S. 3503) to carry out the findings of the Court of Claims in the case of the Commercial Pacific Cable Co., reported it with an amendment and submitted a report (No. 985) thereon.

Mr. PEPPER, from the Committee on Banking and Currency, to which was referred the bill (H. R. 11939) to amend section 5219 of the Revised Statutes of the United States, reported it with an amendment in the nature of a substitute and submitted a report (No. 986) thereon.

Mr. LADD (for Mr. NORRIS), from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 8086) to prohibit the shipment of filled milk in interstate or foreign commerce, reported it with amendments and submitted a report (No. 987) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPENCER:

A bill (S. 4269) to create a commission of investigation in connection with the eighteenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

A bill (S. 4270) to validate certain allotments of land made to Indians on the Lac Courte Oreille Indian Reservation in Wisconsin; and

A bill (S. 4271) to amend section 1 of the act of Congress of March 3, 1921 (41 Stat. L. 1249), entitled "An act to amend section 3 of the act of Congress of June 28, 1906, entitled 'An act for the division of the lands and funds of the Osage Indians in Oklahoma, and for other purposes'"; to the Committee on Indian Affairs.

By Mr. ODDIE:

A bill (S. 4272) granting a pension to Henry Rabbes; to the Committee on Pensions.

By Mr. COUZENS:

A bill (S. 4273) authorizing and directing the Treasurer of the United States to convey certain land in section 21, Huron County, Mich., to the Pointe Aux Barques Resort Association; to the Committee on Public Lands and Surveys.

By Mr. WADSWORTH:

A bill (S. 4274) to provide for the organization of the Organized Reserves in the Philippine Islands; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 4275) incorporating the Supreme Lodge of the World, Loyal Order of Moose; to the Committee on the District of Columbia.

By Mr. BROUSSARD:

A bill (S. 4276) for the relief of Maj. Russell B. Putnam; to the Committee on Naval Affairs.

TERMS OF COURT OF CLAIMS.

Mr. RANDELL submitted two amendments intended to be proposed by him to the bill (S. 2228) to amend certain sections of the Judicial Code relating to the Court of Claims, which were ordered to lie on the table and to be printed.

AMERICAN PROPERTY INTERESTS IN THE ISLE OF PINES.

Mr. POMERENE submitted the following resolution (S. Res. 392), which was considered by unanimous consent and agreed to:

Resolved, That the Secretary of State be, and he is hereby, directed to inform the Senate how many citizens of the United States have landed or other property interest in the Isle of Pines, and the amount and value of such lands and other property owned by them.

SHIPPING BOARD CLAIMS COMMISSION.

Mr. KING submitted the following resolution (S. Res. 393), which was referred to the Committee on Commerce:

Resolved, That the Committee on Commerce is authorized and directed to investigate the cause of the dissolution of the Claims Commission which was constituted to examine and pass upon claims against the United States Shipping Board and the United States Shipping Board Emergency Fleet Corporation, which was dissolved and abolished by Chairman Lasker of the Shipping Board in an order issued December 19 and made effective December 31, 1922; to investigate the activities and work of said commission and ascertain the results of the same, and whether the work of said commission was advantageous to the Government, and what, if any, reasons existed for the discontinuance of said commission; to ascertain the amount of outstanding claims against the United States Shipping Board Emergency Fleet Corporation and the proposed methods of dealing with the same, and whether or not said methods will be more advantageous to the Government than the handling of such claims by the Claims Commission; and report its findings and recommendations to the Senate in the premises. Said committee may send for persons and papers, administer oaths, and employ such clerical assistance as may be necessary, and may appoint a subcommittee to exercise the powers and duties conferred upon said committee by this resolution.

ASSISTANT CLERK TO COMMITTEE ON INDIAN AFFAIRS.

Mr. SPENCER submitted the following resolution (S. Res. 394), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 328, agreed to September 13, 1922, authorizing the Committee on Indian Affairs to continue the employment of an assistant clerk, payable out of the contingent fund, until the end of the present Congress, be, and the same hereby is, further continued in full force and effect until the end of the Sixty-eighth Congress.

AMERICAN REPRESENTATION ON REPARATION COMMISSION.

Mr. ROBINSON obtained the floor.

Mr. STANLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STANFIELD in the chair). The absence of a quorum being suggested, the Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ball	Glass	McKellar	Smoot
Borah	Harrell	McKinley	Spencer
Brandegee	Harris	McNary	Stanfield
Brookhart	Heflin	Myers	Stanley
Calder	Hitchcock	New	Stanthard
Cameron	Johnson	Norris	Townsend
Capper	Jones, Wash.	Oddie	Trammell
Caraway	Kellogg	Overman	Underwood
Couzens	Kendrick	Pepper	Walsh, Mass.
Culberson	King	Phipps	Walsh, Mont.
Curtis	Ladd	Pittman	Warren
Dial	La Follette	Poindexter	Watson
Elkins	Lenroot	Pomerene	Weller
Fletcher	Lodge	Robinson	
Frelinghuysen	McCormick	Sheppard	
George	McCumber	Smith	

The PRESIDING OFFICER. Sixty-one Senators have answered to their names. There is a quorum present.

Mr. ROBINSON. Mr. President, it is with some hesitation, and with a sense of both personal and official responsibility, that I bring before the Senate at this time a measure of great importance respecting the foreign relations of this Government.

So many influences have been at work, and still continue their efforts, to fashion public sentiment in the United States and to influence the official action of this Government, that it is quite difficult to ascertain sufficient facts upon which to form a decisive opinion as to what course this Nation should take respecting the problems that distress European peoples and prevent the normal conduct of their affairs. Within an hour it has been said to me by a well-informed citizen, in whom I have great confidence, that propagandist influences of a powerful character are now at work to induce this Government to change its policy respecting European controversies, and to participate in the settlement of them, and if such counsel prevails we may be led into serious and costly error.

From the signing of the armistice it has seemed to me necessary that this Government should have a share in the adjustment of the acute problems which embarrass the nations of Europe, and which are the outgrowth of the great conflict which the armistice terminated.

It will be remembered that President Wilson, while the treaty of Versailles was pending in the Senate, submitted to the chairman of the Committee on Foreign Relations, the Senator from Massachusetts [Mr. Lodge], a somewhat informal communication, a letter, in which he expressed the opinion that it was necessary and advisable for this Government to have temporary representation on the Reparation Commission. President Harding was then a member of the Committee on Foreign Relations, and, with other members of that committee constituting a majority, took the position that until the treaty of Versailles had been ratified by the Senate it was not proper or competent that this Government should have representation on any commission created by that treaty. The President then adopted the policy of securing information as to the action and deliberations of the commission through the medium of unofficial observers; and President Harding, as I shall later show, continued that policy.

When the separate treaty of peace between this Nation and the German Government was entered into, there was incorporated section 4 of Article II, which is as follows:

That while the United States is privileged to participate in the Reparation Commission, according to the terms of part 8 of that treaty, and in any other commission established under the treaty or under any agreement supplemental thereto, the United States is not bound to participate in any such commission unless it shall elect to do so.

And in the resolution of ratification this provision was inserted:

The United States shall not be represented or participate in any body, agency, or commission, nor shall any person represent the United States as a member of any body, agency, or commission in which the United States is authorized to participate by this treaty, unless and until an act of the Congress of the United States shall provide for such representation or participation.

By exchanging the ratifications of that treaty the President estopped himself from designating representatives of this Government to serve officially as members of the Reparation Commission.

The incorporation in the resolution of ratification of the provision just read was a most extraordinary proceeding. It would seem to show a lack of confidence on the part of the Senate in the President of the United States, who, under the Constitution, is vested with the control of our foreign relations. If the President had not bound himself by the exchange of ratifications of the treaty containing this provision, it is doubtful if Congress could have taken any action so effectively intrenching upon the constitutional prerogative of

the Executive. It is difficult to understand, in the light of recent and current events, why any Executive would willingly become a party to such a limitation on the exercise of his powers. It is inconceivable that any President, whatever his politics or views touching foreign problems, should desire to preserve such a monument to the suspicion and mistrust of his party adherents as exists in the effort to deny him the privilege to appoint representatives for the United States in matters which involve the foreign relations of our Government, even if it be conceded that the provision literally does not infringe upon his rights.

Mr. BRANDEGEE. Mr. President—

Mr. ROBINSON. I yield with pleasure to the Senator from Connecticut.

Mr. BRANDEGEE. The last sentence of the Senator would seem to me to be rather inconsistent with his previous statement that this action did trench upon the exclusive powers of the President; but does the Senator claim that Congress has nothing whatever to say about what the foreign policy of this country shall be?

Mr. ROBINSON. Certainly not. The Senator from Arkansas claims, however, that the conduct of the foreign relations of this Government is exclusively an Executive function; and if the President, in the conduct of those relations, finds it necessary to appoint an agent, a minister, or an ambassador, that he has the right to do so, and it is doubtful whether the Congress can, by any mere legislative act, estop him from taking the course in that regard which, in his judgment, will promote the best interests of the Nation. I have said, however, that even if it be conceded that the Congress has the power by legislative act to deny the President the right to appoint a representative, an ambassador, or a minister, even though such representative be not accredited to a particular government, even though his services be confined to such services as are performed by members of the Reparation Commission, it is doubtful, in my mind, whether Congress should do that; but such an issue is not important in this discussion, for the reason that the President exchanged the ratifications of the separate treaty of peace with Germany, in which it was provided that no member to serve on any commission created under the Versailles treaty should be appointed except when authorized by an act of Congress. For that reason, believing that the President ought to have the opportunity of appointing a representative of the United States to serve on the Reparation Commission if he thinks such action will conserve the best interests of the Nation, I have introduced a bill authorizing him to do so, and I have put the provision in the form of an act, because the separate treaty of peace with Germany specifies that it must be done by act of Congress.

Mr. BRANDEGEE. Mr. President, I agree entirely with the Senator that the President has the exclusive right of the conduct of our foreign relations, conducting diplomatic intercourse, and negotiating treaties; but there is a grave difference, in my opinion, between the President's right to conduct our foreign relations and the question of what our foreign policy shall be. I never have thought, and do not now think, that the President has a right, of his own motion, to decide what the foreign policy of the United States of America shall be and to go ahead and put it in operation in spite of the wish of the Congress or of the people of the country.

Mr. LODGE. Mr. President—

Mr. ROBINSON. I yield to the Senator from Massachusetts with pleasure.

Mr. LODGE. Is not the Senator through?

Mr. ROBINSON. Oh, no; I have not concluded.

Mr. LODGE. I will wait until the Senator has completed his remarks.

Mr. ROBINSON. Mr. President, the discussion between the Senator from Connecticut and myself is academic and has no very great importance, considering the conditions under which the discussion proceeds, for the reason that the President did exchange the ratifications of the treaty of peace, and that act by him bound him to refrain from appointing a member of the Reparation Commission until Congress consents he shall do so. I have expressed some doubt as to whether an act of Congress denying to the President the right to appoint a member of the Reparation Commission in the exercise of his duty as the Chief Executive of the Nation, to conduct our foreign relations, is an infringement of his constitutional right. The Senator from Connecticut implies that he has no doubt that Congress could say to the President of the United States, by act, that he shall not appoint a minister or an ambassador, a servant or an agent, to represent him in the performance of his duty as the Chief Executive of the Nation, managing the foreign relations of the

Government, and that the President would be compelled to respect that act of Congress.

I do not believe that is true. I do not believe the President would be compelled to observe any mere direction of that nature that Congress might give him. But that question, I repeat, loses its importance in this discussion when we recall that the President did exchange the ratifications of a treaty which estopped him from appointing a member of the Reparation Commission.

Mr. BRANDEGEE. I do not want to intrude upon the Senator's time—

Mr. ROBINSON. The Senator knows I have plenty of time. Any suggestion the Senator from Connecticut makes always illuminates a debate, and I am very glad to have him interrupt me.

Mr. BRANDEGEE. I was not going to make this suggestion so much for the purpose of illuminating the debate, which I am sure the Senator will sufficiently do without assistance from me, but simply to put myself right. I do not want the Senator to conclude that I inferentially deny, or inferentially from anything I have stated it can be deduced that I deny, the right of the President to appoint ambassadors and other diplomatic representatives, a right which Congress could not deny him. He gets that right from the Constitution. I say now, not particularly because the Senator has verged upon the subject, although, as he says, it may not be particularly related to the pith of the bill he has introduced, it is continually asserted, whenever the Senate or either branch of Congress attempts to express an opinion about our foreign relations or about the wisdom of a proposed policy to be adopted by this country, that we should keep our mouths shut, have no views, or, if we have, suppress them, because the President has exclusive control of the conduct of our foreign relations. I have seen that statement made in the columns of representative newspapers of both parties, I might say metropolitan newspapers, if that gives any added weight to their utterances, and I totally and entirely disagree with them, and I say that if that were true, approximately or remotely true, there would be no sense in having the Senate ratify negotiations of the President which might ripen into treaties. He would be the arbitrary and sole dictator of the policies of this country with respect to foreign relations.

Mr. ROBINSON. Mr. President, I know the Senator from Connecticut, when he says that he has seen in the metropolitan press statements that the Chief Executive is the absolute dictator respecting our foreign policies—

Mr. BRANDEGEE. I did not say I had seen that statement. I say that if what they say is true, if their theory about it is true, he would be the dictator of our foreign relations.

Mr. ROBINSON. What I wish to say is that I am sure the Senator from Connecticut will not attribute any such statement or position to me. I have never thought or said anything of the kind. I do say, and I have always thought, that in the conduct of our foreign relations, in the negotiation of treaties, in the settlement of international disputes, the Executive, who alone under the Constitution of the United States can carry on that business for the Government, ought to be given a free hand, and that the Congress should not unintelligently interfere in his negotiations and in the performance of his duties.

I respect public sentiment, and I wish that Presidents, I will not say the one now in the White House alone, but that all Presidents would find a way to familiarize themselves with the course of public thought throughout the Nation; that they would learn what the people are thinking on public questions and give consideration to public opinion. But, as the Senator from Connecticut can not dispute, it was a most extraordinary provision that the President should be denied the privilege, if it be conceded it was not a right, to appoint a member of the Reparation Commission to represent the United States, when the fact is considered that the political party to which he belongs at that time had an enormous majority in the Senate of the United States. It can have meant only one thing, that the Senate at that time, as it was then constituted, was so opposed to any participation on the part of this Government in the efforts of European nations to settle their economic and political problems that it was unwilling to give the President of the United States the option, if he found it necessary and advisable to do so, of placing a representative of this Government among the agents who were empowered by an arrangement among the European Governments to settle those problems. I challenge any Senator to escape the force of that conclusion.

The Senate as it was then constituted was so anxious to stand aloof from the difficult and confusing problems that were threatening again the peace of Europe and the peace of the world that they did a very extraordinary thing. I doubt if

such a thing was ever done before, and I doubt if it will ever be done again. They tied the hands of the Executive and denied to him the opportunity of doing what he believed to be best in the interest of the Government.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. ROBINSON. I yield.

Mr. McKELLAR. I have not recently examined the language critically, but as I recall it, that language was not only broad enough to exclude any official representative but to exclude any unofficial representative as well; and, as I understand it, the President has already appointed an unofficial representative, or he has an observer there, which is the same thing.

Mr. LODGE. He is not a member.

Mr. McKELLAR. Oh, of course, he is not a member.

Mr. ROBINSON. The Senator's suggestion it happens comes at an opportune time. I was just proceeding to discuss that question.

As the result of this limitation of his authority, the President has been driven to a course regarded by many as belittling the dignity of the Executive and the Government. We have what is known as unofficial representation on the Reparation Commission, unofficial observers.

Mr. LODGE. Mr. President—

Mr. ROBINSON. I will yield in just a moment, if the Senator please.

Mr. Boyden, a great lawyer residing in Boston and enjoying a national reputation, serves as the unofficial delegate, while Mr. Logan, of Philadelphia, acts as the underdelegate, as his position is known. Mr. Henry B. Hodge, of Philadelphia, is the general secretariat of the United States unofficial delegation on the Reparation Commission, and Mr. Lloyd Robbins, of San Francisco, Calif., is the unofficial advisor of the delegation, and serves on what is known as the committee of guaranties, which was created under the London agreement and which apparently exercises sovereign authority over Germany.

I now yield to the Senator from Massachusetts.

Mr. LODGE. I merely wish to say, to make the record correct, that the representation which now exists of course existed from the beginning.

Mr. ROBINSON. Yes; I said that.

Mr. LODGE. I did not so understand the Senator. In fact, the gentlemen appointed by President Wilson were continued by President Harding for some time.

Mr. ROBINSON. I made that statement some time ago.

Mr. LODGE. I beg the Senator's pardon; I did not hear the statement.

Mr. ROBINSON. My information is that, so far as actual labor is concerned, in the investigation of conditions and the decision of controverted questions, this unofficial delegation of our Government has been and is quite influential.

Let me illustrate by a single fact the service that it has rendered. The committee of guaranties, of which I am informed Mr. Lloyd Robbins, of San Francisco, is a member, made an unofficial survey of Germany and submitted a report to the Reparation Commission about October, 1922, which is claimed to be an accurate and complete description of the resources, the economic and financial conditions prevailing throughout the German Republic.

It will be remembered that the committee of guaranties exercises very great power over Germany. As an agent of the Reparation Commission it directs the German people to increase their taxes. As an agent of the Reparation Commission it reduces at will the German budget. It is exercising sovereign authority over the German Republic, not complete sovereignty, of course, but the acts which it performs are in a technical and an actual sense acts of sovereignty.

From the beginning it may be said that there have been two theories in this country with reference to the action of our Government respecting European problems which became acute at the end of the war. There have been some who believe that it is the traditional policy of the United States to refrain from participation in European affairs. They insist that this Government and her people should leave the nations of Europe to settle their own disputes, to adjust without assistance from us their own great problems. There are others who, from the signing of the armistice, have held to the theory that our duty, as one of the associated powers engaged in the conduct of the war which resulted in victory for the Allies, our duty to our own interest, and respect for every consideration which should govern the United States in the conduct of its foreign affairs, justified, if it did not require, this Government to engage in an effort to assist them in settling their disputes in order that

the victory which cost so much in blood and treasure might not be rendered fruitless.

It would not be profitable in this discussion to review the controversy between the representatives of those two viewpoints. The Government apparently adopted the policy of standing aloof. At the same time, so important was the business of the Reparation Commission, not only to Europe, but as its work reflected itself upon our affairs and our life, that President Harding, denied the opportunity under the treaty of peace with Germany to appoint an official representative, continued in service the very able unofficial organization with, I believe, some material changes in the personnel. It will be recalled that in his letter to the Senator from Massachusetts [Mr. LODGE] dated December 27, 1922, when the so-called Borah amendment to the naval appropriation bill was under consideration by the Senate, the President used this language:

In ratifying the treaty of peace with Germany the Senate made a reservation that the United States should not be represented on the Reparation Commission without consent of the Congress and no such consent has been given—

And so forth. This was an implied suggestion, although not a direct recommendation, that the consent of Congress should be given.

From the beginning it has been manifest to some Senators that if the United States is to perform an effective service in solving her own problems as the same are related to economic and political conditions in Europe we must participate in the studies and work of the Reparation Commission. Evidently the President takes that view of the matter. Denied by the treaty with Germany the power to appoint an official representative, he resorts to the expedient of appointing an unofficial representative. I shall not now attempt to go into the manner in which our unofficial delegate on the Reparation Commission has performed his duty. My information is very limited. The channels of information available for my study are very narrow. I do feel justified in saying that it appears from all that has come to my knowledge that exceptional intelligence and rare good judgment have usually been exercised by the unofficial delegation serving as representatives of the United States on the Reparation Commission.

The fact that it has been found necessary to have unofficial representation, the fact that some of our unofficial agents are serving on the most powerful and influential bodies of the Reparation Commission, the fact that they have participated in some of the important decisions of the commission, lead me to wonder why anybody who thinks we ought to have representation at all questions the wisdom and the fairness of having there men expressly authorized to perform their duties. I know that the only answer can be that we are afraid; but if we go in at all, if we are to render assistance at all, why should we not do it through the agency of men who are authorized to represent the Government?

No one has suggested that the unofficial representation be withdrawn. Through two long years of as troublesome a period as the world ever knew, save only that period which closed when the armistice was signed, these unofficial agents of the Government, known throughout the world as actually representing this Nation, hampered and restricted, discredited and belittled by being denied official standing, have performed service of substantially the same nature as that performed by the representatives of other governments on the body with which they serve. Whether as the result of propaganda or the awakened conscience of the people of the Nation from the acquisition of knowledge concerning the facts, there is in progress a change of sentiment in this Republic. Men who heretofore have believed in the policy of aloofness are coming to the conviction that if that policy be continued revolution will engulf some, if not many, of the nations of Europe.

Mr. McKELLAR. Mr. President, before the Senator leaves the question of our representatives on the commission, will the Senator tell us out of what appropriation the unofficial representatives are paid?

Mr. ROBINSON. They are paid by the Reparation Commission. This Government, refusing to appoint official representatives, has actually put its unofficial representatives in the position of receiving their compensation through the body to which we have refused to accredit them. The American unofficial delegation are paid just as are all the other delegations.

Mr. LODGE. They are all paid by Germany.

Mr. ROBINSON. Yes; they are all paid by Germany. In justice to the great German Republic, whose money we take to pay our servants, we ought to give those servants official recognition. If we are not going to do that, what course shall we pursue?

It has been said to me this morning that the only result of the action contemplated by this bill would be to involve us in

the controversies of Europe, and that as a reward for our efforts we shall experience only censure and shall suffer financial loss. To that I reply that every nation in the world knows that for every hour the Reparation Commission has been in existence this Government has had a hand in its work though we have had no official representative. What pride can be taken by any American citizen in a continuance of such an arrangement? Why not have the courage to do our duty in a way that commands respect?

Something has been said about the creation of an unofficial board of inquiry. The Secretary of State in an address recently delivered at New Haven recognized the close relation of these European problems to the welfare of the people of the United States in this language:

We can not dispose of these problems by calling them European, for they are world problems; and we can not escape the injuries of a failure to settle them.

Then he said:

The crux of the European situation lies in the settlement of reparations.

That is almost a literal quotation from an address delivered by that great American economist and publicist, Mr. B. M. Baruch, at the reunion of the members of the War Industries Board held at Washington, D. C., on December 10, 1920. In the address I have just mentioned Mr. Baruch used this language:

Hence it is not too much to say, as I do say, that the crux of the world industrial and commercial problem lies in the fixing of the reparations that Germany must pay. The Allies must eventually come to see this, for they are under heavy burdens and are looking to the German reparations for their own rehabilitation. Germany must work to produce the wealth with which to pay the reparations. In helping herself she will do what is more important, she will be helping us all. Until central Europe is again going full speed ahead the rest of the world will lag. They may not like it, but that is the cold-blooded fact. The question of the interindebtedness of the Allies and even the sane rehabilitation of our own taxation can not be disposed of until the world is again humming with industry and every route and channel of commerce is reopened.

The Secretary of State announced no new position when he made the declaration that the reduction of reparations to an amount that Germany can pay is the crux of the economic and political problems that now vex Europe.

The Secretary of State in his New Haven address suggested a remedy as possible which is somewhat indefinite; it is not very specific. He said:

There ought to be a way for statesmen to agree upon what Germany can pay, for no matter what claims may be made against her, that is the limit of satisfaction. There ought to be a way to determine that limit and to provide a financial plan by which immediate results can be obtained and the European nations can feel that the foundation has been laid for their mutual and earnest endeavors to bring about the utmost prosperity to which the industry of their people entitles them. If statesmen can not agree and exigencies of public opinion make their course difficult, then there should be called to their aid those who can point the way to a solution. Why should they not invite men of the highest authority in finance in their respective countries, men of such prestige, experience, and honor that their agreement upon the amount to be paid and upon a fiscal plan for working out the payments would be accepted throughout the world as the most authoritative expression obtainable?

The Secretary of State impliedly says that if the Reparation Commission, the official body organized by the powers to determine this question, and the premiers of the respective nations whose interests are involved fail, then a body of business men, private citizens of the great governments of the earth, including our own, can volunteer or be selected, and that these private citizens will have such authority and such moral force throughout the world that mankind will immediately accept, or be disposed to accept, their findings as conclusive evidence of the amount of reparations that Germany should pay. The question is not intimately related to the bill I am discussing, and, therefore, I shall not go into detail in the discussion of the proposed board of inquiry. The selection of a board of inquiry, it may be borne in mind, would occasion indefinite delay. That board would either be compelled to accept the work already done by the Reparation Commission and the committee on guaranties, or it would be compelled to duplicate the work done by them, and the inevitable result would be that final adjustment would be postponed. The clouds that seem to be gathering above the horizon would grow blacker and blacker until they would merge with the shadows of night.

It has been said that Germany is on the verge of collapse; that she will not and can not maintain herself unless the reparations problem be settled and the aggregate amount be readjusted so as to enable her to find a way to meet her obligations.

The conference in Paris between the premiers of the French Government and of the British Government has disclosed the fact that they are not widely apart respecting the aggregate amount of reparations; and it is singular to note that the amount they propose, after two years of wrangling and bickering amongst the representatives of the governments involved, is almost exactly the amount which Bernard M. Baruch said

two years ago was the maximum sum which Germany could pay. We are making no progress.

The morning press contains the statement that some Senators on the other side of the Chamber propose to support this bill, provided the nations of Europe in the meantime settle the question of reparation. Well, if that question is settled I will not be found in the Senate of the United States urging the authorization of an official representative of this Government to help settle it.

I have believed from the beginning that by the force of circumstances, from a prompt consideration of our own interests, and from a sense of justice not only to France and Poland but also to the great German Republic the United States would in time be driven to give her open and well-considered counsel to those who have tried in vain without our advice to settle this great problem. After two years, however, we are still hesitating to act officially, though we are acting unofficially, and have been throughout that period.

Our commerce and industry are suffering by reason of the political distraction and financial panic which threaten almost every government in Europe. An able, learned gentleman said to me this morning that this Nation is now more prosperous than ever before in its history and that no excuse or justification exists for changing the policy which marks the present conduct of our foreign relations. Let me call to your attention, Mr. President, the fact, stated in an editorial of the New York World under date of December 18, 1922, when it points out that, notwithstanding the present excessive price of merchandise, the value of the money crops of America is less than it was in 1914.

The editorial says:

This year's wheat crop alone is worth actually less than that of 1914; it is worth only 31 per cent more than that of 1909, in the days before the war had overturned all precedents. Thus the total of wheat value has little more than kept pace with the growth of population. Its increase bears no relation whatever to prices for merchandise in general, which are far higher than they were 13 years ago.

This is what has happened to the farmer: The price of his chief money crops—wheat, cotton, meat—is fixed in international markets, where he has been accustomed to sell his surplus. These markets are falling him and he is selling at cut rates, while everything he buys, including labor and the interest on his investment, if his farm was bought or improved at recent prices, is costing him double. As a rule, he is not coming out even. He is trenching upon his savings to pay living expenses, if he has any savings available for the purpose; if he has no such savings, as in the case of many renters, his condition calls for lively sympathy no more than for swift relief.

If Germany experiences complete collapse, as many fear she may, our foreign market will be further diminished, if not destroyed, and in all probability the prices of agricultural products will still further decline. I think the Senator from Idaho was right when he said, in substance, during the debates on his amendment proposed to the naval appropriation bill, that the time has arrived when the people of the United States, from considerations of their own self-interest, should render effective and prompt service toward the settlement of the economic and the political disputes that make it impossible for men of brains and genius to take ventures in commerce and in trade so long as these disputes continue.

That Germany is approaching a collapse is apparent. The great Republic, which has arisen above the ruins of the former German Empire—a Republic whose people seek an opportunity to live and labor in peace—must not remain forever an outcast among the nations. The opportunity of assisting to lead the new German nation to a plane of permanent safety while at the same time advancing the happiness and prosperity of our own people is worthy of our united and wholehearted efforts.

Both hesitation and secrecy should be abandoned. Let the Senate and the public be informed as to what has been done and what this Government proposes to do to save us from the harm which must inevitably come if present political and economic disturbances in Europe continue. The responsibility of conducting foreign affairs must not be left to bankers, merchants, and bond brokers in their private capacities. It must primarily devolve upon the Chief Executive. The issues to be met are governmental. Therefore the power that should grapple with them is not private responsibility but public authority.

Mr. President, while I have been speaking there has been sent to me from the press gallery a news report which I accept as authentic:

PARIS, January 4.—The allied premiers' conference ended to-day in complete disagreement.

Failure of the entente that won the war to agree upon a joint method of collecting the spoils from Germany brought the latest European economic parley to an end.

Britain and France were unalterably opposed in their stands as to how the reparations payments should be collected.

So the great problem continues. Difficulties are augmented. This Nation may or may not be able to accomplish a settlement and bring back peace to the world; but it has the opportunity

and the enterprise, and its possibilities are worth the risk and the endeavor. Certainly the Foreign Relations Committee of the Senate should obtain for itself and furnish the Members of this body* all the information available affecting the problem which underlies the provisions of this bill.

I have some information, through the courtesy of the chairman of the committee, that the subject will be promptly investigated. I think that the Secretary of State and Mr. Henry B. Hodge and Mr. Lloyd Robbins, one or both of them, who are serving in connection with our unofficial delegation on the Reparation Commission, who are somewhat familiar with the work that has been done and the tasks that are yet to be performed, should be called before the committee and questioned fully. I think it might be well to invite our ambassador to the Court of St. James to give his views. I have been informed that there are on file in the State Department a number of documents and reports which will be very enlightening and of great value to the committee in its deliberations, should it see fit to take up the matter. This suggestion is made in the hope that the Senate will not be compelled to continue in a state of benighted darkness respecting available information relating to these great problems.

Mr. LODGE. Mr. President, I only desire to say that I very fully appreciate the importance of the bill which the Senator from Arkansas has presented, and which will be referred to the Committee on Foreign Relations. I have already called a meeting of that committee for to-morrow morning. I can assure the Senator and the Senate that the gravity of the situation is understood by all the members of the committee certainly, as by the Senate generally, and that we shall seek all possible information on anything that can be of assistance in dealing with the very great questions involved in this bill. I can assure the Senator and the Senate, further, that this will be done without delay.

I am going to say one word, not about the large and present subjects which the Senator from Arkansas has been discussing so ably, but with reference to what the Senator from Connecticut [Mr. BRANDEGEE] spoke of as academic—the constitutional method of dealing with foreign relations.

I do not think that there really is or ought to be any confusion in regard to it. The conduct of our foreign relations, the conduct of negotiations, must of necessity remain in the hands of the Executive, where the Constitution leaves it. As I said the other day, it is entirely open to the Senate, if it sees fit, to offer advice to the President, pending or even prior to a negotiation, and it is equally within his power to accept this advice or not, precisely as he pleases, in regard to the performance of the Executive function. In the same way, when the treaty or the convention, whatever it may be, passes into the power of the Senate, it is of course entirely open to the President to make any suggestion to the Senate that he may desire or that he thinks it proper to make, and it is within the power of the Senate to follow that advice and be guided by it or not, exactly as they please.

I do not think myself that there is anything which invades the Executive power in the provision in the German treaty which has been read here. When a treaty comes within the power of the Senate it is recognized that the Senate can accept, can reject, or can accept with reservations or with amendments, as it sees fit; and if it chooses to establish a condition as to a commission created by treaty, that power of reservation or amendment must rest in its hands. The power of the President to carry on all negotiations and initiate them all is absolute and he can use his own personal agents for that purpose if he chooses. The Constitution reserves to the Senate the right to confirm the appointment of ministers and ambassadors, and to extend that to commissioners created by treaty does not seem to me going far, as they are officers normally of less importance than ambassadors and ministers recognized by the Constitution. That, however, does not debar the President from choosing a personal agent for the purposes of negotiation if he chooses to do so. Most of our treaties have been negotiated by our Secretaries of State or by our ambassadors and ministers delegated for that purpose by the President, but the President can select if he prefers some citizen of the United States holding no official office whatever and direct him to conduct negotiation and to make a treaty. This use of personal agents until late years has been but very little indulged in. From the very beginning the Presidents have employed personal agents but rarely. There was a very famous case, that of Ambrose Dudley Mann, who was sent to Hungary by Mr. Fillmore at the time of the uprising there; but, on the whole, that method has been but slightly employed. Of late it has been more the fashion for Presidents to select personal agents; and, in my judgment, nothing can take away from the

President under the Constitution the power to operate through a personal agent if he sees fit any more than there can be taken from the Senate the power to assent or disagree to the selection of an ambassador or a minister.

Mr. President, under the treaty with Germany, whether this academic question is decided one way or the other, there is no doubt of the law established by that treaty, and that is that if we are to be represented officially on the Reparation Commission it will require the action of the Senate.

Mr. ROBINSON. If the Senator will pardon me, it will require the action of both Houses of Congress.

Mr. LODGE. Yes; the Senator is right. It will require the action of Congress. It will require an act of Congress, as the Senator has provided.

Mr. ROBINSON. Yes; it will require an act.

Mr. LODGE. That is more unusual in practice than putting in simply the right of the Senate to confirm a given officer. At all events, this act raises a question, and a most important one, as I have already said, and I only desire to repeat what I began by saying that I fully appreciate the great importance of the question at this moment, especially in view of the dispatch which has been read here as to the break between the prime ministers of the principal powers on the question of reparations. The Committee on Foreign Relations will give it most immediate attention, and I shall endeavor to get all the information possible for the benefit of the committee and of the Senate.

Mr. JOHNSON. Mr. President, the question that is submitted by the bill is by no means a new one, but at various times during different discussions of matters relating to our foreign affairs it has been more or less before us in the Senate and more or less before the Congress and more or less before our people. I have listened with the utmost interest, as usual, to the remarks of the Senator from Arkansas [Mr. ROBINSON]. He is always entertaining, always logical, always eloquent, and to-day his address has been strikingly so.

I must say, Mr. President, in the light of the information that is now at hand, without developments, indeed, of which at the present we know nothing, I am compelled to enter an emphatic dissent to the design the Senator seeks to accomplish. I recognize, of course, what he says about this country's unofficial observer in the Reparation Commission, but I recognize, too, that that sort of activity is a prerogative of the President, with which we of the Senate have nothing to do and which we of the Senate can not at all control.

There is something, however, which we may control, something which lies within our province, and that is the selection of an official representative on the Reparation Commission, and because of what this country might be compelled ultimately to do I repeat that as at present advised I would not wish that we have any official representative there at all.

There is a great deal of loose talk all over the Nation to-day, just as we have had that loose talk during the past two years, about "stabilizing Europe," "throwing in our fortunes with the rest of the world," "doing our duty to all humanity," "aiding civilization," and the like. That appeal, of course, we all understand, and the appeal, of course, is one which touches us all; but in all of the talk thus indulged scarce anybody points a way, and there is nothing definite that thus far has been suggested upon this floor so far as I am aware, nothing that has been suggested thus far in the country, whereby we can stabilize Europe and aid the rest of the world, prevent a collapse in Germany, or do our duty unto mankind, as gentlemen constantly are asserting we ought to do.

There is no such mistake about our duty in the minds of our English brethren, no such mistake as to the duty we ought to perform in the minds of some of those who have dealt with the question. I have before me a recent edition of the Manchester Guardian, wherein very plainly is pointed out exactly what this country can do, and the only thing it can do, to do its duty toward civilization, aid mankind, stabilize Europe, and perform all the other altruistic things that every one of us would perform and have our country perform.

I read from an editorial in the Manchester Guardian of December 22:

But until America is prepared to release Europe from a great part of her debts, American "intervention" must be confined to good advice. Advice, unfortunately, will not stabilize the mark or fill a hole in the French budget.

There is the thing we could do. Do you want to do it? Europe owes us \$12,000,000,000 or more to-day. We can aid Europe if we want to. If this is not empty talk in which we indulge in this country to-day, we are told there is a way in which we can play our part in this economic intervention of which so much has been said. We can play our part if you are ready to do it by forgiving the debt that Europe owes unto

us. I am not ready to do it, but these gentlemen here who talk of what we ought to do for Europe have one definite, specific, concrete mode in which they can render aid. Are you ready to render that aid? I say that it will be an injustice unto our people, an injustice unto our Government. But there is the road. Will you take it—dare you take it—or will you continue to indulge in the same nebulous expressions that have been indulged in in this Chamber and that are being written all over this land?

As the London Times said in a recent editorial, do you want to indulge a mere gesture, and a ridiculous gesture at that, or are you ready to go the route and play your part as they want you to play your part? That is the question, and it will not be for us constantly to indulge in the phrases that are common now all over the land. There is the road. Take it if you dare. Some of us will not take it with you, because we think it unjust; but it is the only feasible, concrete thing to do if you want to stop talking in mysterious and nebulous phrases and render the aid.

Let us look at this bill a bit further. It seeks to place us upon the Reparation Commission. Recently I endeavored to describe that Reparation Commission. All here, I think, understand now exactly what it is; that it is, indeed, a supergovernment, with its various powers, political in character, executive in character, sovereign in character, as the Senator from Arkansas has said.

We would not go upon that Reparation Commission for the purpose of settling the amount of the reparations now, Mr. President. The amount of reparations is in little dispute to-day. The amount of reparations was practically conceded by the Premiers of Great Britain and France in the conference that has just been ended in this hour. They agreed upon practically a definite, specific sum, so that it would not take an American representative upon the Reparation Commission to agree upon a sum of reparations, for there is little disagreement concerning that, and a fact-finding commission, such as was suggested by the Secretary of State a few nights ago, would be of very little avail to-day.

Your representative upon the Reparation Commission would have a larger and a much more important duty to perform. He would have the duty to perform officially, under the authority of the United States Government, of being part of a sovereign power, directing, managing, operating, and conducting the affairs of the territory over which the Reparation Commission rules; directing political and legislative operations and activities of the governments over which the Reparation Commission rules, going into a realm far, far removed from that which deals with amounts, or that which deals with finances at all.

When you go into that realm, with your associates, you go into a realm which necessarily may lead into the question of military occupation in a part of Europe. Are you ready to go that far, and take this country again into military occupation of any part of Europe, if default be made in the reparations payments? If you are, I am not; and as time goes on, I believe, notwithstanding the propaganda in this country, notwithstanding all that has been said during the past few months by various newspapers and various individuals and organizations concerning helping Europe, you will find that this country will not go into any plan, any scheme, any commission, under which ultimately military occupation may be had, and under the government of which commission, plan, or scheme we may be required to do our part in the military occupation of any portion of the Continent of Europe.

Mr. BRANDEGEE. Mr. President—

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from California yield to the Senator from Connecticut?

Mr. JOHNSON. I yield.

Mr. BRANDEGEE. The Senator says that if this country should have an official representative on the Reparation Commission it may have to use military force. Is it not so, in the opinion of the Senator, and inevitably so, that if we shall be officially represented on that commission we will be absolutely bound to enforce whatever decrees and orders the commission may make?

Mr. JOHNSON. Oh, I think so.

Mr. BRANDEGEE. And use whatever means are necessary to do that?

Mr. JOHNSON. I do not think there is any question about that. I suggested the contingency instead of the actual fact, because of the possibility that the reparations might be paid as directed to be paid, and that military sanctions might not be required. That was the only reason for the suggestion in the form in which I made it.

Mr. McKELLAR. Mr. President; the Senator is on the Committee on Foreign Relations, and was on that committee when the treaty of peace was ratified. In the ratification resolution it was stated:

The United States shall not be represented or participate in any body, agency, or commission, nor shall any person represent the United States as a member of any body—

And so forth. As I construe that language, it seems that it was intended by the committee and by the Senate, when it ratified the treaty, that we were not to be represented on this commission or any commission, directly or indirectly, until there was an act of Congress, and I think it was so argued here in this body. Is the Senator in favor of our continuing to be unofficially represented on the Reparation Commission, and if he is in favor of our being unofficially represented on that commission, are we not just as much morally bound by our unofficial representation as we would be if we were officially represented?

Mr. JOHNSON. The 17 questions which have been asked by the Senator I will try to answer. As to the last, no; we are not morally bound, nor are we legally bound. As to the earlier part of the Senator's question, if I may recall it, I think the purpose of the proviso originally was to prevent representation on the Reparation Commission or participation in its deliberations. I speak only one voice in that regard.

Mr. McKELLAR. Official and unofficial?

Mr. JOHNSON. I speak only one voice in that regard, I say. I am not attempting to say what was in the minds of my colleagues in that respect, but I state only what was in my mind. I am not attempting to justify what has happened upon the Reparation Commission. Make no mistake as to that at all. I say that is a prerogative of the President, and I can not help it; but because of the wording of that treaty, I can help in keeping this country from going into the Reparation Commission and binding the United States of America, and it is that that I will prevent, if I can, by my vote in the Senate. That is the attitude I assume.

Let me refer to another editorial in the Manchester Guardian, because I want to bring home to Senators the concrete thing that may be done in relation to aiding Europe, and then when the discussion may come upon this question I want Senators to say whether they are ready to do the concrete thing.

Here we get onto the very delicate question of interallied debts. But it is no use burking it. The fact has got to be faced that in the long run debts, like reparations, will have to be scaled down and the two treated together in a common plan. None of the messages from America suggests the faintest dawning of this truth in the mind of the American public, and it may be said that in its turn the American Government would not be politically strong enough, even if it were so minded, to accept a reparations settlement which involved the cancellation of the American debt.

There is what is in the minds of our brethren abroad—the American debt. There is what ought to be in our minds if we are going to talk about doing something concrete and definite for Europe, instead of in this hazy fashion in which somewhere men mount the clouds and are sitting far up above the rest of us, with an assumed superior wisdom looking down upon the rest of us because we want to deal with concrete things and deal with the situations as we find them.

Mr. BRANDEGEE. Mr. President—

Mr. JOHNSON. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. I want to ask the Senator if it is not true that either the forgiveness of the debt or its cancellation is a somewhat euphemistic way of stating that it is to be imposed upon our own citizens instead of upon those who benefited by it.

Mr. JOHNSON. Of necessity so, and that is exactly what I was coming to. Oh, the stuff that has been indulged in about the aid that is to be given to the farmer by holding conferences and the like. Hold a conference, Mr. President, and the next instant wheat will increase 100 per cent in price. Some farmers actually profess to believe it. "Aid Europe economically," they say. Nobody says how. "Economic intervention." Nobody explains what it is. Have economic intervention and aid Europe economically, and every farmer in the West will have the price of every product he raises increased 1,700 per cent. That sort of thing has gone abroad in the country to-day to the detriment of our own people, to the arousing of false hope abroad. The concrete thing is just what the English papers said. The debt that is due to this country—cancel it, they say; but who then pays it? Why, the farmers will pay the bill, the farmers will pay the debt. These fanciful flights at the end mean cancellation of what is our due—putting the burden wholly upon our own people.

Please do not think because I am speaking as I do that I am lacking in a desire to aid Europe in solving her problems. Everything that could be done, that might be done, in justice to

our own people I am willing to do. I am not ready to cancel the debt that is due to America. I am not ready yet to saddle that \$12,000,000,000 upon American citizens. I am not ready yet to take us into any pact, to take us into any reparation commission, where we might be called upon for military sanctions in the future or to police any part of the European continent.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. JOHNSON. I yield.

Mr. ROBINSON. The Senator said with great emphasis that he is not willing that this Government shall have representation on the Reparation Commission because he thinks that would involve the cancellation or forgiveness of the debts which certain Governments of Europe owe the United States. Does the Senator think the Reparation Commission has or would assume jurisdiction of that question?

Mr. JOHNSON. The Senator is mistaken entirely in his statement. Either I expressed myself very inadequately or the Senator misunderstood me. I do not say that entering upon the Reparation Commission would cancel our debt at all.

Mr. ROBINSON. Oh, no; I did not understand the Senator to say that.

Mr. JOHNSON. I understood the Senator to say that he understood me to so state.

Mr. ROBINSON. I understood the Senator to say that if we had representation upon the Reparation Commission the Governments of Europe would insist upon our representatives there canceling or consenting to the cancellation of the debts which those Governments owe us.

Mr. JOHNSON. Oh, no.

Mr. ROBINSON. That that was the only thing we could do.

Mr. JOHNSON. Oh, no; I beg the Senator's pardon. I did not say that.

Mr. ROBINSON. The Senator has said we can not have, from his viewpoint, representation upon the Reparation Commission and we should not engage in any conference looking toward our assisting in bringing about a settlement of those questions.

Mr. JOHNSON. Oh, I beg the Senator's pardon; I did not say that either. The Senator is mistaken.

Mr. ROBINSON. The Senator did ridicule the idea of an economic conference.

Mr. JOHNSON. Yes.

Mr. ROBINSON. And said it would accomplish nothing.

Mr. JOHNSON. Yes; I did.

Mr. ROBINSON. The Senator has also said that he is anxious to do anything that can be done of a practical nature to help. What does the Senator think can be done?

Mr. JOHNSON. I know what can not be done. I am perfectly clear as to that. Our good offices I would use. I would aid in any advice that I could. In any fashion that it would be possible without involving our country or committing us, I would endeavor to be of service. I would not enter into political commitments at all, nor in any fashion involve us in the maelstrom of European politics.

Mr. ROBINSON. The Senator has accused some of us who have favored the representation of the United States on the Reparation Commission of indefiniteness and generalities. Does not the Senator think his reply to my question as to what remedy he proposes or what action he thinks this Government should take, if any, in connection with the problems and troubles of Europe, is subject to the same criticism?

Mr. JOHNSON. Oh, I do. I plead guilty. But the difference between us is this: I am taking us into nothing harmful. The Senator is taking us into something which I believe would be harmful. That is the difference between us.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a question?

Mr. JOHNSON. I yield the floor to the Senator.

Mr. McKELLAR. I just want to ask the Senator a question.

Mr. JOHNSON. Very well.

Mr. McKELLAR. The Senator does not mean to say that he is at all satisfied with the present condition of things?

Mr. JOHNSON. The present condition of what things?

Mr. McKELLAR. Of economic conditions in Europe.

Mr. JOHNSON. Of course I am not at all. I never would be satisfied indeed until everybody was happy and everybody was wealthy. [Laughter.]

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House disagreed to the amendments of the Senate to the bill (H. R. 13374) making appropriations for the Navy Department and the naval service

for the fiscal year ending June 30, 1924, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KELLEY of Michigan, Mr. FRENCH, Mr. MADDEN, Mr. BYRNES of South Carolina, and Mr. OLIVER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 13481. A bill making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes;

H. R. 13559. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1924, and for other purposes; and

H. R. 13593. A bill making appropriations for the Post Office Department for the fiscal year ending June 30, 1924, and for other purposes.

SENATOR FROM MISSOURI.

Mr. SPENCER. I present the certificate of election of my colleague, the senior Senator from Missouri, as United States Senator for a term of six years commencing on March 4 next. I ask that it be read and placed on file.

The credentials were read and ordered to be placed on file, as follows:

STATE OF MISSOURI,
Executive Department.

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1922, JAMES A. REED was duly chosen by the qualified electors of the State of Missouri a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1923.

In testimony whereof I hereunto set my hand and cause to be affixed the great seal of the State of Missouri. Done at the city of Jefferson this 22d day of December, A. D. 1922.

[SEAL.]

By the governor:

ARTHUR M. HYDE.

CHARLES U. BECKER,
Secretary of State.

SENATOR FROM FLORIDA.

Mr. FLETCHER. I present the credentials of my colleague, Mr. TRAMMELL, and ask that they may be read and placed on file.

The credentials were read and ordered to be placed on file, as follows:

To the President of the Senate of the United States:

This is to certify that on the 7th day of November, 1922, PARK TRAMMELL was duly chosen by the qualified electors of the State of Florida a Senator from said State to represent said State in the Senate of the United States for the term of six years beginning on the 4th day of March, 1923.

Witness: His excellency, our governor, CARY A. HARDDE, and our seal hereto affixed at Tallahassee this the 27th day of December, 1922, in the year of our Lord 1922.

[SEAL.]

By the governor, attest:

CARY A. HARDDE, Governor.

H. CLAY CRAWFORD,
Secretary of State.

SENATOR FROM NEW JERSEY.

Mr. FRELINGHUYSEN presented the credentials of EDWARD I. EDWARDS, chosen a Senator of the United States from the State of New Jersey, which were read and ordered to be placed on file, as follows:

I, EDWARD I. EDWARDS, Governor of the State of New Jersey, do hereby certify that at an election held in the said State on the 7th day of November, 1922, EDWARD I. EDWARDS was duly chosen and elected by the people of the said State of New Jersey to be a Member of the United States Senate for the term of six years beginning on the 4th day of March, 1923.

In testimony whereof I have hereunto set my hand and caused the great seal of the State of New Jersey to be hereunto affixed at Trenton this 5th day of December, in the year of our Lord 1922, and of the Independence of the United States the one hundred and forty-seventh.

[SEAL.]

By the governor:

THOS. F. MARTIN,
Secretary of State.

SENATOR FROM DELAWARE.

Mr. BALI presented the credentials of THOMAS F. BAYARD, chosen a Senator of the United States from the State of Delaware, which were read and ordered to be placed on file, as follows:

BY AUTHORITY OF THE STATE OF DELAWARE.

To the President of the Senate of the United States:

Be it known an election was held in the State of Delaware on Tuesday, the 7th day of November, A. D. 1922, that being the Tuesday next after the first Monday in said month, in pursuance of the Constitution of the United States and the laws of the State of Delaware, in that behalf, for the election of a Senator for the people of the said State in the Senate of the United States.

Whereas the official certificates or returns of the said election, held in the several counties of the said State, in due manner made out, signed, and executed, have been delivered to me according to the laws of the said State by the superior court of the said counties; and hav-

ing examined said returns and enumerated and ascertained the number of votes for each and every candidate or person voted for for such Senator, I have found THOMAS F. BAYARD to be the person highest in vote and therefore duly elected Senator of and for the said State in the Senate of the United States for the constitutional term to commence on the 4th day of March, A. D. 1923.

I, William D. Denney, governor, do therefore, according to the form of the act of the general assembly of the said State and of the act of Congress of the United States, in such case made and provided, declare the said THOMAS F. BAYARD the person highest in vote at the election aforesaid and therefore duly and legally elected Senator of and for the said State of Delaware in the Senate of the United States for the constitutional term to commence on the 4th day of March, A. D. 1923.

Given under my hand and the great seal of the said State, in obedience to the said act of the general assembly and of the said act of Congress, at Dover the 15th day of November, A. D. 1922, and in the year of the Independence of the United States of America the one hundred and forty-seventh.

[SEAL.]

By the governor:

WM. D. DENNEY.

A. R. BENSON,
Secretary of State.

HOUSE BILLS REFERRED.

The following bills were severally read twice by title and referred to the Committee on Appropriations:

A bill (H. R. 13481) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1924, and for other purposes;

A bill (H. R. 13559) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1924, and for other purposes; and

A bill (H. R. 13593) making appropriations for the Post Office Department for the fiscal year ending June 30, 1924, and for other purposes.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The PRESIDING OFFICER (Mr. LADD in the chair). The pending question is on the motion of the Senator from Nebraska [Mr. NORRIS], which will be stated.

The READING CLERK. It is that the Senate proceed to the consideration of the bill (S. 4050) to provide for the purchase and sale of farm products.

Mr. SHEPPARD. Mr. President, resuming my account of the transactions of the Shipping Board during the fiscal year ended June 30, 1922, I desire to say that it was the opinion of the board that the tramp service was not of fundamental benefit in developing a merchant marine, and it was decided to concentrate its efforts on regular trade routes deemed essential to the future of the American merchant marine. Despite the continued decline in freight rates the corporation instituted between New York and London another line of combination passenger and freight steamers, with weekly sailings, superior to any foreign line from any North Atlantic port and offering sufficient space for perishable cargo in refrigerated chambers. New freight services were established. Offices were set up at various interior points to acquaint the public with Shipping Board lines in world trade routes, sailing dates, rates, and so forth.

The corporation secured an agreement with shippers of Egyptian cotton by which half of the quantity intended for shipment to the United States would be carried in board vessels. British ships had been carrying all the cotton shipments from Egypt to the United States.

Dependable sailing schedules were maintained to a greater degree than ever before during the fiscal year now being considered.

The 23 combination passenger and cargo vessels constructed by the corporation were delivered during the year and assigned as follows: Seven to operate in the service between New York, Cherbourg, and London; four between New York, Rio de Janeiro, Montevideo, and Buenos Aires; five between San Francisco, Honolulu, Yokohama, Kobe, Shanghai, Manila, and Hongkong; five between Seattle, Yokohama, Shanghai, Hongkong, and Manila; two were being reconditioned when the fiscal year closed.

Five more ex-German ships were put in service during the year. Sailing time to Rio was shortened to 12 days, to Buenos Aires to 17 days, a saving of six to eight days over former schedules. Sailing time to the Orient was exceptionally good from Puget Sound, that to Yokohama being 12 days, Kobe 14 days, Shanghai 17 days, Hongkong 21 days, Manila 25 days. Fortnightly sailings were maintained on nearly all the principal world routes, with weekly sailings to prominent European ports. Definite schedules were established in many cargo services, a monthly freight service being operated from the Pacific coast to Australia. For this service there were six

board vessels operated as feeders between Shanghai, Hongkong, and Calcutta, and four for the Seattle service between Hongkong and Java ports.

Shipping Board vessels handled 10,948,294 cargo tons during the year—6,634,381 representing exports and 4,313,913 representing imports. This was nearly 14 per cent of the cargo tonnage handled by all American vessels. Nearly 39 per cent was handled by American ships privately owned. So about 52 per cent of our foreign trade in quantity was handled by the American merchant marine during the fiscal year ended June 30, 1922. The percentage in value was nearly 35 per cent. The remainder of the trade was carried in foreign ships. Our total seagoing merchant marine, in both Shipping Board and private ownership, while it comprised fewer ships on June 30, 1922, than a year earlier, had a ship tonnage of 13,351,295, as against 13,234,401 a year earlier. This was the largest seagoing tonnage ever assembled under the flag, representing larger and better ships than ever before, and yet they talk of subsidy!

On June 30, 1921, the laid-up steel fleet comprised 690 vessels, at an upkeep cost per vessel of \$1,019.42 per month. Reduction of employees and wages lowered the cost per vessel per month to \$300.62 on June 30, 1922, at which time the laid-up steel fleet had increased to 971 vessels. During the fiscal year the laid-up fleets were carefully surveyed and classified as to adaptability to service and physical condition, so that vessels in lay up could be intelligently substituted, whenever necessary, for those previously engaged in active service. The impression, therefore, that the enormous expenditures required for the construction of this great fleet represent almost total waste and loss is a stupendous error.

On June 30, 1921, the number of wood and composite ships in lay up was 275, and the annual expense per vessel averaged \$919.65, or \$76.64 per month. During the year some of these were disposed of and expense of maintenance reduced for the remainder. The number on hand June 30, 1922, was 236, and the average annual cost of maintenance per vessel \$173.79, or \$14.36 per month.

The immense construction program of the board, which began in 1917, was finally ended with the delivery of *Western World*, a 13,000-ton passenger and cargo steel vessel, on May 9, 1922.

In the sixth annual report of the board—the report for the fiscal year ending June 30, 1922—it is stated that perhaps the most remarkable shipbuilding record during the construction of the great board fleet was that of the Great Lakes Engineering Works in building at its plant on the Great Lakes the steamship *Cruel Keys*, a 3,350-ton steel cargo vessel. Keel was laid July 11, 1918; vessel launched July 27, 1918, just 16 days later; completed ship delivered to board August 14, 1918, just 34 days after keel was laid. Close to this was the record of the New York Shipbuilding Corporation in building the steamship *Tuckahoe*, a 4,900-ton steel collier. Keel was laid April 8, 1918; vessel launched May 5, 1918, just 27 days later; completed ship delivered to board May 15, 1918, just 37 days after keel was laid. The Grays Harbor Motorship Corporation launched the wood ship *Aberdeen* on September 28, 1918, just 19 days after keel was laid, and delivered the completed ship October 6, 1918, just 27 days after keel laying.

By June 30, 1922, 11 of the 17 dry docks in contemplation had been completed, 5 were almost complete, while construction of one remained in suspense. The Fleet Corporation reported that during the year dry-dock construction was practically completed.

During the year the corporation consolidated all its fuel agencies into a fuel department, whose duties covered purchase and distribution of fuel oil and bunker coal; construction, maintenance, and operation of fuel-oil and bunker-coal stations. The board's foreign organization continued to function during the year, rendering needed assistance to its ships in foreign trade along lines heretofore set out.

As we have seen, sales of all kinds were taken over by one of the vice presidents of the new and separate organization of the Fleet Corporation early in the fiscal year now under observation.

The new Shipping Board had, as the result of an examination at the beginning of the year, reached the conclusion that the price the preceding board was asking for steel cargo tonnage—that is, \$100 to \$185 per dead-weight ton—varied too widely from world market prices, and made a radical readjustment of prices. The board, in carrying out the policy of the act of 1920, for a privately owned and operated merchant marine as an ultimate ideal, and as a step to that end for the sale of the Government-owned ships as soon as practicable on terms consistent with good business judgment and the proper development of the American merchant marine, decided to establish a

general basis of valuation for such sale. The board stated in its report for the fiscal year ended June 30, 1922, that its object in establishing this basis was to fill demands for ship tonnage under the American flag from the Government-owned vessels, except in the few cases of very special service for which vessels of special design only could be used.

The board stated that the price for these Government vessels should be sufficiently below present cost of reproduction or probable cost of reproduction in the near future to cover depreciation, overcome preference of purchaser for particular requirements, and to compensate for any fault or inferiority of design due to war construction. The board stated that its study of the world's ship market indicated that a fair price for the best steel cargo tonnage would be about \$30 per dead-weight ton; that this price was merely for the guidance of the board; that sales would be made on a lump-sum basis, "as is, where is," purchaser to make his own estimate as to dead-weight tonnage, condition, and so forth.

The board said further that but few ships could be sold at any price until legislation should make it possible for American operators to compete with foreign vessels; that if prices were established which would meet existing demand, sales in volume could be anticipated as soon as competitive operation could be established and the world's trade rehabilitated.

The board went on to say that in November, 1921, it had offered different types of vessels for sale but found that practically no market existed at the time.

The board then stated that while prices should be sufficiently low to cause shipowners to buy Government vessels rather than construct new ones, except for very special service, it would be neither good business nor justice to the taxpayer to establish a needlessly low level of prices; that a merchant marine built on a fleet obtained at prices that did not reasonably represent its value would give only temporary benefit based on an unstable foundation; that no permanent success could be built on a narrow margin of profit which would be changed to a loss when new vessels would have to be bought at market prices.

Here, it will be observed, the board condemns with unanswerable logic the idea of subsidy. The sale of vessels at prices below reasonable value is but a form of subsidy, and is denounced by the board as fatal to the sound and permanent development of a merchant marine.

Mr. TRAMMELL. Will the Senator yield for a question?

Mr. SHEPPARD. I yield.

Mr. TRAMMELL. I would like to know from what report the Senator is reading? Is that a recent report made by the Shipping Board?

Mr. SHEPPARD. The report of the present Shipping Board for the fiscal year ending June 30, 1922, its last annual report.

Mr. TRAMMELL. Made by the board which is now advocating this bill, selling these ships for practically nothing, and giving a very large subsidy?

Mr. SHEPPARD. By the board which is now asking for a subsidy. How the board, after an expression like this, can consistently advocate the subsidy provisions of the pending bill—provisions calling for at least \$450,000,000 in direct donations to shipowners during the next decade and a half, for loans exceeding a hundred millions on most generous terms—is beyond comprehension or belief.

Mr. WALSH of Massachusetts. Will the Senator again read the expression of the board to which he refers?

Mr. SHEPPARD. I gave it a few moments ago, but I shall be glad to repeat it.

Mr. WALSH of Massachusetts. I wish the Senator would do so.

Mr. SHEPPARD. The board said that while prices should be sufficiently low to cause shipowners to buy Government vessels rather than construct new ones, except for very special service, it would be neither good business nor justice to the taxpayer to establish a needlessly low level of prices; that a merchant marine built on a fleet obtained at prices that did not reasonably represent its value would give only temporary benefit based on an unstable foundation; that no permanent success could be built on a narrow margin of profit which would be changed to a loss when new vessels would have to be bought at market prices.

The Senator will realize that the sale at too low a price is as much a subsidy as a direct donation from the Treasury.

Mr. WALSH of Massachusetts. The Senator construes that statement as an argument against the principle of the subsidy?

Mr. SHEPPARD. It speaks for itself. It is one of the best statements I have ever seen of the reasons which should prompt Congress never to grant subsidies to private enterprises.

Continuing its discussion of a sales policy, the board in the report referred to stated further that it would establish a

price scale advantageous to American purchaser and operator but still representing a fair value after considering all elements of the shipping problem; that this contemplated only steel vessels suitable to permanent incorporation in the American merchant marine; that vessels of unsuitable type for this purpose and exceeding in number any demand anticipated in a reasonable period were in a different class; that for a part of this surplus fleet there existed and would exist for many years a market under foreign flags; and that when these surplus ships could be clearly identified and designated prices would be fixed for sale to foreign flags.

The board added that there was no favorable prospect for the early disposal of the fleet; that even with needed legislation its transfer to private hands as a part of the upbuilding of the American merchant marine must be a slow process; that one of the most favorable factors in the gradual working out of the problem was the fact that a large percentage of the world's tonnage was over 15 years old and was approaching a period when cost of maintenance would make purchase of other tonnage preferable to upkeep of our vessels; that while a greater portion of foreign tonnage was approaching this point than was the case with American tonnage the difficulties of the present situation were largely caused by an excess of world tonnage, and that any absorption at home or abroad tended to remove this excess and establish higher values for all vessels; that the increase in value of vessels due to the demand in the next few years, resulting from the increasing age of the world's tonnage, would more than compensate for the cost of upkeep during the period that must elapse until the excess should disappear.

Such was the general shipping situation and the board's policy in reference thereto, as defined by the board on June 30, 1922. During the fiscal year ending on that date the board sold 59 steel ships, totaling 359,577 dead-weight tons, for \$9,753,757, and 28 wooden and concrete ships, totaling 98,918 dead-weight tons, for \$247,923. Twenty-one wooden ships had been sold on bids taken at the time the present board took office for \$120,422.88. The board afterwards discovered that the wooden ships, while salable only at a very low price, could be used in certain trades in serious competition with established lines operating steel ships and with injurious effect upon the development of the American merchant marine. (See Sixth Annual Report United States Shipping Board, p. 194.)

The board sent a number of these wooden ships to shipyards for dismantling in order to determine their salvage value, evidently with a view to salvaging rather than selling them, thereby avoiding the dangerous competition they might offer steel vessels. So these despised wooden ships had no little efficiency after all. During the fiscal year 36 ships, all steel but 2, were transferred by Executive order to other Government departments without payment—ships that had probably cost \$50,000,000 to build.

After sales and other disposals of all kinds and types of ships, finished or unfinished, that had come into the board's ownership, partial or complete, from all sources since the beginning, the total number being 3,444, totaling about 19,598,900 dead-weight tons, the board had in its possession on June 30, 1922, 1,686 vessels of 10,809,172 dead-weight tons, of the following kinds: 1,256 steel cargo ships of 8,537,675 dead-weight tons, 44 steel combined cargo and passenger ships of 506,807 dead-weight tons, 82 steel tankers of 751,086 dead-weight tons, 13 steel refrigerator ships of 91,183 dead-weight tons, 30 steel tugs, tonnage not given, 225 wooden cargo ships of 828,385 dead-weight tons, altogether 1,425 steel ships; 16 wooden harbor tugs, tonnage not given, altogether 241 wooden ships; 11 composite cargo ships of 39,175 dead-weight tons, 2 concrete cargo ships of 6,078 dead-weight tons, and 7 concrete tankers of 48,783 dead-weight tons.

As we have seen, this mighty merchant fleet, principally of steel, was in condition for gradual incorporation into a privately owned and operated merchant marine, that is, such as was not in actual use, represented the newest and largest volume of carrying tonnage in the world, whether in lay up or in use, was destined to grow in value as the rapidly aging tonnage of the world marine neared the point of inevitable replacement, had all of it in prosperous times found ready employment, was now for the most part in lay up on account of continuous and universal business depression—a condition affecting other merchant fleets as well as ours in lay up, but carefully guarded against deterioration at a cost of about \$300 per month for steel ships and less than \$15 per month for wooden ships—an expense offset by the growth in value due to world conditions already mentioned. To speak of this fleet as representing a total loss, or an approximately total loss, or the greatest commercial wreck of the ages, as some have done, is to ignore the facts.

Despite this superabundance of modern vessels, waiting for the return of prosperous activities on the seas, and despite the

unparalleled progress of the American merchant marine since 1914—a progress from an almost negligible point to a foremost place in ocean trade, a progress marked by the handling of more than 50 per cent of our foreign trade tonnage every year since and including 1920—despite the fact that these hundreds of laid-up ships will accommodate the expansion of our foreign trade for years to come, a bill has been pending in Congress for several months, and has passed the House, providing cash subsidies involving at least 450 millions in the next decade and a half, and a loan fund of \$125,000,000 for the construction of more ships.

Let us now consider that bill, the bill commonly known as the ship subsidy bill—the bill now under discussion in the Senate. In the event it becomes law it will also be known as the merchant marine act of 1922. The title reads that it is a bill to amend and supplement the merchant marine act of 1920, and for other purposes. As we have seen, the merchant marine act of 1920 amends and supplements the shipping act of 1916. It is necessary, therefore, to have all three measures before us in order to obtain a proper estimate of the situation confronting us. We have already reviewed the acts of 1916 and 1920 and intervening war shipping acts.

The bill now before us is divided into seven titles in addition to the general title already given. The first title is called "Amendments to the merchant marine act, 1920." Section 1 of this title amends section 5 of the act of 1920, the section authorizing and directing the board, as soon as practicable, to sell all of the vessels referred to in section 4 of the act of 1920 or otherwise acquired by the board by requiring that the interest on the unpaid purchase price shall be payable at least annually at a rate of not less than 4½ per cent per annum; that payments of principal be so arranged that the amounts due or paid under the contract of sale as principal up to any moment of time shall be sufficient to cover depreciation of the vessel up to such moment, unless the board waives this requirement on the giving of adequate security, provided that no employee of the Government shall in any way be interested as a vendee in any purchase made from the Shipping Board; that all sales made under this act shall be subject to the limitations and restrictions of section 9 of the act of 1916, as amended, provided that the ship known as the *Leviathan*, now being reconditioned, shall not be sold for a price less than the cost for reconditioning said vessel. Section 1 of this title further amends section 5 of the act of 1920 by striking out certain requirements and safeguards in connection with the sale of vessels. This will be referred to later.

Section 2 of this title amends section 7 of the merchant marine act of 1920, the section relating to the establishment of routes by the board and the operation of ships thereon, by requiring that domestic communities primarily interested in such lines shall be understood to mean the geographical divisions of the coast lines of the United States known as the North Atlantic, South Atlantic, Gulf, and Pacific coasts, together with particular ports from which such lines may run or be intended to run and the territorial regions and zones naturally tributary to such ports and coastal divisions; that the board shall not for the period of two years after the enactment of the merchant marine act, 1922, sell vessels operating on routes established by the board prior to the enactment of this act to persons other than those who, in the judgment of the board, have the support, financial and otherwise, of the domestic communities primarily interested in such lines; that it is hereby declared to be the policy of Congress to discourage monopoly in the American merchant marine, and in pursuance of this policy the board is directed in the development of its sales and its assignment policy to continue as far as possible and practicable, subject to the provisions of this section, all existing steamship routes and regular services, and to endeavor in every way to bring about the permanent establishment of such routes and services and their retention, as far as possible, in the hands of persons having the support, financial and otherwise, of the domestic communities primarily interested in such routes and services; that in carrying out the provisions of this section the board is directed to investigate fully all matters in connection therewith and to conduct hearings at which the persons interested in such communities may have the opportunity to express their views as to the course to be pursued by the board and the methods to be adopted in carrying out the policy therein prescribed.

Sections 3 and 4 of this title reenact and amend sections 9 and 10 of the merchant marine act of 1920, sections relating to marine insurance, adding the provision that purchasers could take the necessary insurance with commercial concerns or with the separate insurance fund created by the board, and the further provision that private parties could utilize the separate

fund only when foreign insurance companies were offering lower rates than the American companies.

Section 5 of this title amends and enlarges section 11 of the merchant marine act of 1920 by increasing the construction-loan fund from \$25,000,000 to \$125,000,000 and adding other provisions, so that the section as amended provides (a) that there is hereby established in the Treasury a revolving fund to be known as the "United States Shipping Board construction-loan fund"; that there shall be covered into such loan fund all moneys which at the time of the enactment of this act are in the fund created by section 11 of the act of 1920; that the board may set aside and cover into the loan fund all receipts of the board except appropriations made by law and profits of the board from the operations of vessels, but that the total amount of moneys covered into the loan fund, other than payments upon the principal and interest upon loans made therefrom, shall not exceed \$125,000,000.

(b) That the board may use the loan fund to such extent as it deems necessary for making loans to aid persons, citizens of the United States, (1) in the construction by them of vessels in private shipyards of the United States of the best and most efficient type, equipped with the most efficient and the most economical machinery and commercial appliances, or (2) in the equipping by them of vessels already built with such machinery and commercial appliances, provided that this section shall not apply to construction or equipment of vessels by corporations or individuals primarily for the purpose of transporting their own products.

(c) That no loan shall be made for a longer time than 15 years; that all loans shall bear interest payable at least annually upon the unpaid principal at a rate not less than 4½ per cent per annum; that no loan shall be made (1) for construction purposes for a greater sum than two-thirds of the cost of the vessel to be constructed nor (2) for equipment purposes for a greater sum than two-thirds of the cost of the equipment or two-thirds of the value of the vessel when thus reequipped, whichever is the lesser; that the board shall require such security, including a first lien on the entire interest in the vessel, as it deems necessary in order to insure the repayment of the loan with interest; that in case of a loan under this section made after the enactment of the merchant marine act, 1922, all payments on the principal and interest of the loan shall be covered into the loan fund.

Section 6 of this title amends section 24, merchant marine act, 1920, by adding the requirement that ships carrying mails must be such as are eligible for compensation under this act by repealing so much of section 7, act of 1920, authorizing mail-carrying contracts despite the act of March 3, 1891, and by repealing that act.

The second title is called "Taxation." The first seven sections under this title, amending the revenue act of 1921 by allowing certain income-tax exemptions as an encouragement for the construction of new ships or the saving of earnings for that purpose, were adopted by the House but were stricken out by the Senate Committee on Commerce and are no longer in the bill.

Then comes a section under this title numbered 201 in the bill as reported by the Senate Committee on Commerce and providing that Title II of the revenue act of 1921 is amended by adding at the end thereof a new section numbered 272, and providing—

(a) That in case of vessels registered, enrolled, or licensed under the laws of the United States the reasonable allowance for exhaustion, wear and tear, and obsolescence provided in paragraph (8), subdivision (a), of section 214, and in paragraph (7), subdivision (a), section 234, of said revenue act, shall be determined and allocated to the years in which such depreciation was sustained under rules and regulations prescribed by the Shipping Board.

(b) That in case of a vessel of 1,000 gross tons or more acquired after August 1, 1914, and prior to January 1, 1921, there shall be allowed for the taxable year 1922 and each of the four succeeding taxable years, under rules prescribed by the board, a reasonable deduction for the exceptional decrease in value thereof since the date of acquisition, but not again including any amount otherwise allowed under this act or any previous act of Congress as a deduction in computing net income; that at any time before March 15, 1927, the Commissioner of Internal Revenue may, and at the request of the taxpayer shall, reexamine the return, and if he then finds as a result of an appraisal or from other evidence that the value on which the tentative deduction for exceptional decrease in value was based was incorrect or has changed, the income, war profits, and excess-profits taxes for the year or years affected shall be redetermined, and the amount of tax due on such redetermination,

if any, shall be paid on notice and demand by the collector, and the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with section 252 of said revenue act; that this section shall take effect as of January 1, 1922.

The next section, 202, excludes subsidy money received under this act from taxable income. Then follows section 203, doubling tonnage duties, tonnage taxes, or light money as to vessels eligible for subsidy.

The third title of the bill under debate is called "Transportation of Immigrants by Water."

The first section under this title, numbered as section 301, provides that, as nearly as practicable, one-half of the total number of immigrants admitted to the United States in any fiscal year shall be transported in vessels registered or enrolled and licensed under the laws of the United States. The next section, 302, provides that the Commissioner General of Immigration, with the approval of the Secretary of Labor, shall make regulations necessary for the enforcement of section 301 and that all such regulations relating to administration by diplomatic and consular officers of the United States shall be subject to approval of the Secretary of State. Section 303 provides that section 301 shall not take effect as to immigrants transported in a vessel documented under the laws of any foreign country until a time fixed by proclamation of the President, and that he is authorized and directed, whenever in his opinion this title is or may be in conflict with treaties, to take steps necessary to remove such conflict.

The fourth title is denominated "Compensation to Vessels of the United States." This is the part of the bill defining and conferring subsidy.

The first section under this title is numbered 401 and is a definition of terms. Section 402 provides that there is hereby established in the Treasury a fund to be known as the merchant marine fund, to the credit of which the Secretary of the Treasury is directed to set aside the following sums paid into the Treasury after the enactment of the act:

(a) All tonnage duties, tonnage taxes, and light money.

(b) Ten per cent of the amount of all customs duties paid under law in force at time of enactment of this act or subsequently enacted.

(c) All excess earnings paid by the owner of any vessel under section 416 of this act.

Section 403 provides: (a) That in order to aid the development and maintenance of the American merchant marine, to promote the growth of the foreign commerce of the United States, to contribute to the national defense, and to carry out the policy set forth in section 1 of the merchant marine act, 1920, the board is authorized and directed on behalf of the United States to enter into a contract with any person, a citizen of the United States, who is the owner of a vessel for the payment of compensation in respect to such vessel, subject to the limitations of this title, if in the judgment of the board such person possesses such ability, experience, resources, and character as justify the belief that the payment of compensation will be reasonably calculated to carry out such policies and otherwise promote the general welfare of the United States, no contract to be refused on ground that the person is not so qualified unless after a public hearing such refusal is specifically authorized by affirmative vote of not less than five members of the board and the vote and full statement of reasons are spread upon the minutes of the board.

(b) That such contract shall provide that it shall be made for a period not exceeding 10 years from the date thereof and shall provide that payments of compensation shall be made at reasonable intervals not exceeding six months, provided that no contract made hereunder shall extend beyond a period of 15 years from the date of the enactment of this act.

(c) That the board shall not enter into any contract for the payment of compensation, or increase the rate of compensation fixed in any contract, unless it is satisfied that the amount payable under such contract in any fiscal year, plus the total amount payable in such year under other contracts for compensation, will not exceed the sum of \$30,000,000.

(d) That the Secretary of the Treasury is authorized and directed to pay, out of any moneys in the merchant marine fund, compensation to the owner of any vessel contracted with, but such payment shall be made only on vouchers signed by the chairman of the board under authorization of the board; that all moneys in the merchant marine funds are hereby permanently appropriated for the purpose of making such payments and refunds subsequently authorized in this act.

Section 404 provides that compensation shall be computed as follows: For each gross ton of the vessel for each 100 nautical miles covered by the vessel there shall be paid—

(a) Regardless of the speed of which the vessel is capable, one-half of 1 cent; and

(b) In case of a power-driven vessel capable of making (when self-propelled solely by machinery) a speed of 12 knots or over when on such draft as the owner may select and in addition to any amount payable to such vessel under subdivision (a)—

(1) One-tenth of 1 cent, if such speed is 12 knots or over but less than 13 knots;

(2) Two-tenths of 1 cent, if such speed is 13 knots or over but less than 14 knots;

(3) Three-tenths of 1 cent, if such speed is 14 knots or over but less than 15 knots;

(4) Four-tenths of 1 cent, if such speed is 15 knots or over but less than 16 knots;

(5) Five-tenths of 1 cent, if such speed is 16 knots or over but less than 17 knots;

(6) Seven-tenths of 1 cent, if such speed is 17 knots or over but less than 18 knots;

(7) Nine-tenths of 1 cent, if such speed is 18 knots or over but less than 19 knots;

(8) One and one-tenth cents if such speed is 19 knots or over but less than 20 knots;

(9) One and three-tenths cents if such speed is 20 knots or over but less than 21 knots;

(10) One and five-tenths cents if such speed is 21 knots or over but less than 22 knots;

(11) One and eight-tenths cents if such speed is 22 knots or over but less than 23 knots; and

(12) Two and one-tenth cents if such speed is 23 knots or over.

Section 405 provides that for the purpose of computing compensation under the title—

(a) A vessel is held to be power driven if equipped so as to be self-propelled through use of machinery and if the rated horsepower of the propulsive machinery exceeds one-third the gross tonnage of the vessel;

(b) A vessel is held to be a sailing vessel if it is equipped so as to be self-propelled through use of sails and is not equipped so as to be self-propelled through use of machinery;

(c) Gross tonnage of vessel shall be as determined under laws of the United States and stated on vessel's certificate of admeasurement;

(d) The speed which a vessel is capable of making on such draft as owner may select shall be ascertained by the board at reasonable intervals and by such methods as it may by regulations prescribe;

(e) The mileage covered by the vessel shall be determined solely by distances of direct, customary route for vessels of same type and kind on similar voyages between the ports touched by the vessel based upon tables of such distances approved by the board, except that if such distances do not in the board's opinion fairly represent distances which under efficient operation are required actually to be traversed by the vessel on its voyage the board may increase the mileage to such an extent as it deems fair and reasonable, but in no case shall the mileage so increased exceed mileage actually traversed by the vessel;

(f) In computing mileage, a fractional part of 100 miles shall be disregarded, unless in excess of 50 miles, in which case it shall be counted as 100 miles.

(g) Any power-driven vessel of 5,000 gross tons or less but of 1,500 gross tons or over shall be considered as if it were a vessel of 5,000 tons.

Section 406 provides (a) that compensation shall not be paid in respect to any sailing vessel whose tonnage is less than 1,000 gross tons, nor to any other kind whose tonnage is less than 1,500 gross tons.

(b) That compensation shall be paid in respect to any vessel only for mileage covered while the vessel—

(1) Is a privately owned merchant vessel;

(2) Is registered or enrolled and licensed under the laws of the United States;

(3) Is self-propelled by sails or machinery, except when in distress or being aided by means of tugs or other assistance on entering or leaving port or in navigating any inland or restricted waterway;

(4) Is classed by the American Bureau of Shipping in the highest classification open to vessels of its type and kind according to the rules of the bureau; and

(5) Carries a crew (exclusive of licensed officers required by law) at least two-thirds of which are citizens of the United States and the remainder of which are individuals eligible to United States citizenship, the required number of United States citizens to be one-half instead of two-thirds during the first year after the enactment of this act and six-tenths instead of

two-thirds during the second, the provisions of this paragraph to apply only to deck and engine departments in case of passenger vessels; owner and master of vessel not to be held to strict compliance with this paragraph in case of loss of any member of crew through desertion, casualty, or other cause beyond control in any port outside the United States where due diligence is shown; the owner of a vessel outside the United States at the enactment of this act or on the first day of the second or third year thereafter not to be required to comply with the provisions of this paragraph applicable to such year until her first arrival at a United States port if he complies with said provisions applicable to the previous year.

(c) That compensation shall not be paid in respect to any vessel unless the vessel (1) is registered, enrolled, or licensed under the laws of the United States on the sixtieth day after the enactment of this act; or (2) is built in the United States, its Territories, or possessions, or the Canal Zone after the enactment of this act; or (3) is at the time of the enactment of this act undocumented and owned by a person, a citizen of the United States, and is not thereafter documented under the laws of any foreign country; or (4) is owned by the United States at the time of the enactment of this act and is not thereafter documented under the laws of any foreign country; or (5) was built in a foreign country before the enactment of this act and is within three years after the enactment of this act registered under the laws of the United States, compensation to be paid for such vessel only when specifically authorized on the affirmative vote of at least five members of the board to receive compensation and specifically certified to be essential to the proper development of the merchant marine of the United States by reason of the particular type or kind of vessel, such vote and a full statement of the reasons for such authorization and certification to be spread on the minutes of the board.

(d) That from total compensation earned in respect to any voyage there shall be deducted an amount bearing the same ratio thereto as the revenue attributable to the carriage of cargo owned by the owner of the vessel or any person affiliated with him within the meaning of subdivision (c), section 400, of this act relating to two or more affiliated corporations or associations bears to the total revenue attributable to the carriage of passengers, cargo, and mails, the amounts so attributable to be determined by the board as representing the fair value of services performed by the vessel in transporting such cargo.

Section 407 provides (a) that for purposes of compensation under this title a vessel shall be held to be engaged in foreign trade while operated on any voyage as a merchant vessel, with certain exceptions, namely, (b) that it shall not be held to be so engaged while carrying any passengers or cargo (1) which are taken on board at a port in the United States and discharged at a port in the United States, (2) which are taken on board at a port in the United States and discharged at a port in Alaska or Porto Rico, (3) which are taken on board at a port in Alaska or Porto Rico and discharged at a port in the United States, (4) which are taken on board at a port in the United States and discharged at a port in Hawaii or vice versa, if the revenue from such passengers and cargo amounts to more than one-fourth of the total revenue from all passengers and cargo on board at time of departure from last port of call in the United States or (5) Hawaii, as the case may be, or (6) which are taken on board at a port in Alaska, Hawaii, Porto Rico, Virgin Islands, Philippine Islands, Canal Zone, and discharged at a port in the same Territory, possession, or zone.

(c) That the last-named restrictions shall not apply (1) to a voyage for carriage of passengers on a special or sight-seeing tour or for scientific purposes if the vessel does not, in the judgment of the board, carry passengers or cargo in competition with vessels in the coastwise trade, nor (2) to merchant vessels while operating as auxiliaries to the military or naval forces of the United States.

(d) That a vessel shall not be held to be in foreign trade while moving without passengers or cargo (1) between ports in the United States, unless the next carriage of passengers or cargo is to or from a port outside the United States, Alaska, Hawaii, and Porto Rico; (2) between the United States and Alaska, Hawaii, or Porto Rico, unless the next carriage of passengers or cargo is to or from a port outside the United States and outside such Territory or possession; (3) between a port in Alaska, Hawaii, or Porto Rico and a port in the same Territory or possession, unless the next carriage of passengers or cargo is to or from a port outside such Territory or possession and outside the United States; (4) between a port in the Virgin Islands, Philippine Islands, or Canal Zone and a port in the same possession or zone, unless the next carriage of

passengers or cargo is to or from a port outside such possession or zone.

(e) That a vessel is not in foreign trade under this title while operating on the Great Lakes or adjacent or connecting waterways, unless the voyage begins or ends east of Quebec, Canada.

Section 408 provides (a) that compensation shall be paid in respect to any vessel only for mileage covered while the vessel is engaged in foreign trade upon a voyage of which one of the ports is a port of the United States, its Territories, or the Canal Zone, except that any vessel engaged in foreign trade shall be paid compensation for mileage covered in such trade during any period of time (1) if the vessel has entered or cleared from a port of the United States at any time during the 12 months prior to such period of time and after the making of the contract or (2) if the vessel during the six months ending with such period of time has derived at least one-half of the total revenue accruing to it by reason of the carriage of passengers or cargo from passengers and cargo received from or delivered to vessels which are registered or enrolled and licensed under the laws of the United States and whose voyage began or terminated at a port in the United States, its Territories or possessions, or the Canal Zone.

(b) That compensation shall not be paid for a voyage during which the vessel enters or clears from a port in the United States, its Territories or possessions, or the Canal Zone, if the distance between the terminal ports of the voyage is less than 150 nautical miles.

Section 409 provides (a) that compensation shall accrue only while the vessel is owned by a person, a citizen of the United States; (b) that compensation earned after three years from the enactment of this act shall not be paid to any vessel owner unless at all times during the period over which such compensation was earned at least 50 per cent of (1) the total gross tonnage of all vessels—other than those documented in the coastwise trade only, and other than those operating on the Great Lakes or adjacent or connecting waterways upon voyages neither beginning nor terminating east of Quebec, Canada—which are owned or chartered by such vessel owner, or for which such owner acts as agent, plus (2) the total gross tonnage of all such vessels owned or chartered by any person affiliated with such vessel owner, or for which such affiliated person acts as agent, is comprised of vessels registered under the laws of the United States; (c) that the affiliation referred to means ownership or control of 50 per cent of outstanding voting stock or voting power, or of 80 per cent of all outstanding stock or interest; (d) that the board may suspend from time to time the provisions of subdivision (b) of this section in respect to a power-driven vessel of a particular type or kind which any person desires to own or charter if, in the opinion of the board, vessels of such type or kind registered or enrolled and licensed under the laws of the United States are not reasonably available for the purposes desired, and that any vessel in respect to which such suspension is made shall not be counted in computing gross tonnage for the purpose of subdivision (b).

Section 410 provides (a) that whenever the board determines that in order to promote the welfare of the United States the operation of vessels in any particular service, or of any particular type or kind, is desirable and necessary and that the rate of compensation under section 404 is insufficient to induce the operation of vessels in such service, or of such type and kind, the board in making the contract for compensation may provide therein for such increase of compensation as it deems necessary to these ends, the increase not to be more than twice the rate under section 404; (b) that the board in making contracts of compensation may decrease the compensation under section 404 in any particular case to such extent as it deems advisable; (c) that after making the contract of compensation the board may, with the consent of the other party, decrease, or increase to a figure not more than twice the rate under section 404, the rate of compensation to be paid, provided that no expenditure shall be made from the merchant marine fund because of any increased compensation granted after contracts have been made, except out of appropriations made annually therefrom by Congress; (d) that no increase or decrease shall be made under this section unless specifically authorized by the board on the affirmative vote of not less than five members, and unless such vote and a full statement of the reasons therefor are spread on the minutes of the board.

Section 411 provides (a) that the contract may require a vessel to be operated in a particular service—the term "service" including, by previous definition in the bill, the route, frequency of sailings, and speed—(1) if the rate of compensation is based thereon and (2) if the contract also provides a different rate of compensation to be paid for any period of time

after obligation of owner to operate the vessel in such service has been terminated as herein provided; (b) that if the contract provides for operation in a particular service the owner's obligation may terminate on six months' written notice to the board; that on failure of owner to operate the vessel in such service (act of God and restraint of princes excepted) before his obligation has terminated, then (1) all rights to compensation earned since the last time for payment provided in the contract may, at the board's option, be forfeited, and (2) the board may terminate the entire contract.

Section 412 provides that any vessel under a compensation contract may at any time during the life of the contract be taken and purchased or used by the United States for national defense or during any national emergency declared by proclamation of the President; that in such event the owner shall be paid the fair actual value of the vessel at the time of taking or paid fair compensation for her use based upon such fair actual value, said value not to be enhanced in either case by the causes necessitating the taking; that in case the vessel is taken and used but not purchased the vessel shall be restored to the owner in a condition at least as good as when taken, less reasonable wear and tear, or the owner shall be paid an amount for reconditioning sufficient to place the vessel in such condition; that the owner shall not be paid for any consequential damages arising from such taking and purchase or use; that in case of disagreement between the United States and the owner of the vessel as to the fair actual value, fair compensation, or amount for reconditioning, such value, compensation, or amount shall be determined by arbitration, one arbitrator to be selected by the President, one by the owner of the vessel, and the third by the two thus selected, or, if they can not agree, by the Chief Justice of the United States.

Section 413 provides that all repairs, renewals, or reconditioning of contract vessels or of their machinery or equipment shall be done in a port in the United States, its Territories or possessions, or the Canal Zone, except that repairs or renewals may be made in a foreign port if the repairs or renewals are essential to the safety of the vessel, its passengers, crew, or cargo, or are made to a vessel operating exclusively between foreign ports under this act; that the board shall refuse to pay any person failing to perform his obligations under this section such amount of compensation as the board may determine.

Section 414 provides that if a vessel in respect to which a contract for compensation is made is sold prior to the expiration of the contract the compensation shall cease unless a new contract therefor is made with the purchaser.

Section 415 provides that any purchaser of a contract vessel before expiration of contract shall be held to take the vessel with notice of and subject to the right of the United States to take and purchase or use such vessel as provided in section 412.

Section 416 provides (a) that when used in this section the terms "taxable year," "gross income," "net income," and "invested capital" shall have the same meaning as when used in the revenue act of 1921.

(b) That the owner of a contract vessel or vessels shall pay the United States 50 per cent of the amount by which his net income for the taxable year attributable to the operation of such vessels exceeds 10 per cent of his invested capital for such year attributable to such vessels, but in no case shall the amount so paid exceed the compensation earned in respect to such vessels during the taxable year under a contract made under this title by the owner.

(c) That in computing the gross income attributable to the operations of the vessels there shall be included the compensation earned under this title in respect to vessels during the taxable year; that in computing the net income there shall be deducted from gross income a reasonable amount determined by the board and certified by it to the Commissioner of Internal Revenue as representing the fair value of the products, services, or facilities furnished by the owner in connection with operations; that there shall not be allowed as a deduction in computing the net income attributable to the operation of the vessels the deduction provided in section 265 of the revenue act of 1921 as amended by this act.

(d) That if the owner of vessels uses them in whole or in part for transportation of his own property, his gross income attributable to the operations of the vessels in transporting such property shall be considered to be such amount as is determined by the board and certified by it to the Commissioner of Internal Revenue as representing the fair value of the services performed by the vessels in transporting such property.

(e) That if the owner of the vessel is an individual, a partnership, or an estate or trust, the invested capital shall be determined under rules and regulations prescribed by the Commis-

sioner of Internal Revenue, with the approval of the Secretary of the Treasury, so as to equal as nearly as may be practicable the invested capital that would be allowable to such owner if a corporation.

(f) That to secure an accurate distribution or apportionment of profits, income, deductions, or invested capital in computing net income or invested capital among two or more trades or businesses—whether incorporated or unincorporated, or whether or not organized or created in the United States—controlled directly or indirectly by the same interests the Commissioner of Internal Revenue may consolidate the accounts of such trades or businesses (1) if the person conducting one of such trades or businesses in dealing with the person conducting another bought from or sold to the other person during the taxable year products, services, or facilities at prices above or below the current market price, thus effecting an artificial distribution of profits, (2) or if one such person in any way so arranged his financial relations with another such person during the taxable year as to assign to either a disproportionate share of net income or invested capital, (3) or where for any reason it appears to the Commissioner of Internal Revenue that the net income or invested capital attributable to the vessels, as shown by the return of the owner, does not fairly reflect the actual or true net income or invested capital of the owner.

(g) That every person liable for the 50 per cent payment to the Government under this section shall make at the time and in the manner provided by law for making his income-tax return a return in such form as may be prescribed by the Commissioner of Internal Revenue, stating his net income attributable to the operations of the vessels, his invested capital attributable to the vessels, and any other information relating to the determination of the amount payable under this section which may be required by the commissioner; that a copy of such return, together with all schedules and data submitted therewith, shall be transmitted to the board at the same time when the return is filed.

(h) That the entire amount for which a vessel owner is liable under this section shall be due and payable at the same time and in the same manner and collected in the same manner as the first installment of income tax imposed by law.

(i) That for the purposes of this section the amount of compensation earned in respect to vessels during the taxable year shall be determined by the board and certified by it to the Commissioner of Internal Revenue.

(j) That amounts paid under this section shall be covered into the Treasury to the credit of the merchant marine fund, and that any refunds for overpayment shall be paid therefrom on vouchers approved by the Commissioner of Internal Revenue and countersigned by the chairman of the board.

(k) That provisions of the revenue act of 1921 and any other internal revenue laws relating to assessment, collection, remission, or refunding of income and excess-profits taxes shall, so far as practicable, apply to payments dealt with by this section.

(l) That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make rules and regulations for the enforcement and have charge of the administration of this section.

Section 417 provides (a) that the board shall provide in every contract for compensation with any person that such person agrees to accept and comply with sections 412, 413, 414, and 416, and that whether or not the contract does so provide, such person shall be held to have so agreed.

(b) That any contract for compensation with any person may be canceled by him at any time without the consent of the board, but that the cancellation shall not relieve him of obligations under sections 412 and 416, or of any obligation under section 411, to operate a vessel in any particular service.

(c) That the board shall provide in the contract no terms or conditions except those (1) which are specified in subdivision (a) of this section or in section 411, or (2) which are necessary to carry out sections 411, 412, 413, 414, and 416, or (3) which are necessary to ascertain and determination of amount of compensation at rate fixed in contract payable under this title.

Section 418 provides that the board's determination as to amount of compensation to which any person is entitled under this title shall be subject to review by the General Accounting Office.

The fifth title is called "Army and Navy Transports."

Its first and only section, numbered 501, provides that whenever in the judgment of the President adequate transportation facilities to meet any or all of the needs of the Army, Navy, or Marine Corps are afforded by vessels registered or enrolled and licensed under the laws of the United States, he may direct the

discontinuance in whole or in part of the transport service of either the Army or the Navy and transfer to the board or place out of commission any of the vessels now or hereafter engaged in either of such services; that whenever such disposition is made the Secretary of War and the Secretary of the Navy, respectively, are authorized and directed to make contracts with owners of such vessels for transportation required, that the contracts may be for terms of 10 years, and that the board shall furnish necessary assistance in making them; that there is hereby authorized to be appropriated such sums as are necessary to meet payments required under such contracts.

The fifth title is named "Rail and Water Transportation."

Its first section, numbered 601, provides that, as used in this title, the term "commission" means Interstate Commerce Commission.

Section 602 declares (a) that it is the policy of Congress to promote, encourage, and develop water transportation service and facilities in connection with the commerce of the United States and to foster and preserve in full vigor both rail and water transportation, and that the board and commission are hereby severally authorized, empowered, and directed to cooperate to that end.

(b) That the board and commission are authorized and directed to create a joint board from among their members, officers, and employees to study conditions and interrelations of rail and water traffic, the control, improvement, and extension of ocean freight terminals, and the principles and methods essential to the policy declared at the outset of this section.

(c) That the joint board shall hold regular meetings, appoint a secretary, keep minutes, and so forth.

(d) That the joint board shall make recommendations to the board and commission, which, if they approve, shall make them effective by such means as are granted by law, each acting within its own jurisdiction.

(e) That this section shall not affect the jurisdiction of the commission or create any power concurrent with its powers.

Section 603 provides that the board shall certify the form to be used by the commission in prescribing through bills of lading for exports.

Section 604 provides that paragraph (9), section 5, of the interstate commerce act, relating to rail-owned water lines, shall not apply when such common carrier by water or such vessel is engaged exclusively (a) in trade (other than with foreign contiguous territory) not included in the coastwise trade, or (b) in trade between United States ports and Philippine ports, or exclusively in trade on rivers or canals of the United States.

Section 605 amends section 15 of the shipping act of 1916, requiring filing of all agreements and understandings between carriers affecting water transportation, by requiring also the filing of all arrangements with railroads affecting joint rail and water shipments.

Section 606 amends section 6 of interstate commerce act so as to require railroads entering into agreements with ocean carriers under section 15 of the shipping act of 1916 to enter into similar arrangements with any and all other carriers by water from same port to same foreign country.

Section 607 amends section 28 of the merchant marine act of 1920 by requiring 30 days' notice before any suspension of that section becomes effective, and by providing that whenever the board and commission are both of opinion and certify that putting into effect or keeping in effect this section will cause unjust discrimination between ports of United States or as to commerce accustomed to move through such ports, or will materially change the channels of transportation within the United States, or in unduly congesting United States ports, the commission shall by order suspend said section until such time as it and the board decide otherwise, whereupon such suspension shall by order be terminated by the commission on 30 days' notice.

The seventh title is denominated "Miscellaneous provisions." The first section of this title, numbered 701, provides that officers and officials of the United States Government traveling at public expense shall use, as far as practicable, public vessels of the United States or vessels registered or enrolled and licensed under United States laws; that when such passage is not practicable vessels under foreign flags may be used only when ordered by the head of department or other Government establishment concerned, or on order approved by such head of department or other Government establishment, who shall promptly report each such voyage to the board with reasons showing necessity therefor.

Section 702 makes practically the same requirements as to Government supplies as are made as to officers and officials in section 701.

Section 703 amends section 12 of the shipping act of 1916 by requiring inclusion of all transactions with the merchant marine and construction-loan funds in the board's annual report to Congress.

Section 704 provides that (a) the Secretary of Commerce is authorized to designate such ports of entry as he deems advisable as ports of documentation for vessels.

(b) That for the purposes of section 30 of the merchant marine act of 1920, the section relating to ship mortgages, and of the navigation laws, the home port of a vessel shall be the port of documentation at or nearest to and in the same customs district as the place at which there is conducted the greater part of the vessel business of the owner of the vessel, except that the Secretary of Commerce shall by regulation prescribe the home port where he finds the above rule not applicable.

Section 705 amends the definition of certain terms in section 30 of the shipping act of 1916.

Section 706 amends section 4141, Revised Statutes, so as to read that every vessel except as otherwise provided by law shall be registered by the collector of customs at the home port of the vessel.

Section 707 amends a subsection of section 30 of the shipping act of 1916 relative to preferred mortgages and regulating their surrender, while section 708 amends section 42 of that act in regard to the surrender of documents.

Section 709 provides that except when otherwise specifically provided in this act, the board may make such regulations in respect to matters placed under its jurisdiction by this act as it deems necessary in order to make effective the intent and purposes of this act.

Section 710 provides that if any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this act and of the application thereof to other persons and circumstances shall not be affected thereby.

Section 711, the last section of this title and of the bill itself, provides that this act may be cited as the "merchant marine act, 1922."

The first observation occurring to me after a review of this bill is that it contains a number of valuable legislative advances outside the subsidy provisions. These forward steps, with the Government gift features eliminated from the bill, and such portions of previous measures, beginning with the Democratic act of 1916, as remain unrepealed or have been perfected constitute a body of enactment under which the Shipping Board may continue successfully to develop an American merchant marine of satisfactory proportions. Congress could do no better service to American overseas trade than to strike out the subsidy and special-privilege sections of this bill and adopt most of the remainder.

There is one amendment in the first section of the bill, however, which calls for comment. That section in amending section 5 of the act of 1920 eliminates certain requirements relating to the sale of vessels, to wit, requirements that the board in fixing or accepting a sale price should consider the prevailing domestic and foreign market price of, the available supply of, and the demand for, vessels, existing freight rates, and prospects for their maintenance, cost of constructing vessels of similar types under prevailing conditions, as well as cost of construction or purchase price of vessels to be sold, and any other facts or conditions that would influence a prudent, solvent business man in the sale of similar vessels or property which he is not forced to sell. It is true that the first section of the pending bill retains the direction in section 5 commanding the sale of vessels as soon as practicable, consistent with good business methods and the objects and purposes of this act, but the expression "good business methods" relates here more to the time of sale than requirements to be observed in making it, and the fact that the framers of the act of 1920 deemed it necessary to add specific stipulation that market prices, construction costs, reproduction costs, and any other conditions that would influence a prudent, solvent business man not forced to sell shows that the framers of the act of 1920 had in mind the prevention of the closing out of our great merchant fleet for practically nothing, and on auction-block terms. Now, why is this stipulation omitted from the present bill? Why is it repealed by the present bill? The very fact of its elimination might be construed as authority to fling one of the most useful and valuable properties in the world to the winds.

The Shipping Board states in its last annual report, the report for the year ending June 30, 1922, that the construction cost of the vessels it owned on that date was \$2,351,505,875.92. It tells us that the demand for this practically new and modern ship tonnage will increase as world conditions, now suffering one of the severest depressions ever known, improve and

as present ship tonnage in use on all the seas nears the point of necessary replacement, a point large portions of it are about to reach on account of age. It does not give us a statement of its other assets in a sum combining them with these ship values, as was done in prior reports. It tells us that at present there is practically no market for ships. The few sales it did make during the last fiscal year were almost on terms of owners forced to sell. It tells us that the great fleet in lay up is being preserved at a cost strikingly small, a cost offset by a gradual increase in value due to world tonnage conditions heretofore specified. It tells us that the laid-up fleet is being held in readiness for replacements as they become necessary in our own service. Is it not madness under such circumstances to strike out the safeguards thrown around the sale of these ships by the act of 1920? The policy announced by the board in its last annual report, a policy I outlined in detail, would certainly negate the idea of sacrifice sales. This makes the amendment making such sales possible by striking out the sale requirements in the act of 1920, heretofore described, all the more a mystery. The amendment should be disagreed to and the requirements of section 5 of the act of 1920 retained without modification.

In this connection I call attention to another fact. The subsidies provided in this bill are so arranged that almost all the cargo ships owned by the Government will get only the minimum rate. As I have heretofore shown, only a handful of these ships will be in the next two classes above the minimum, while the 10 next higher classes call for a speed no Government-owned ship possesses. Thus the Government is called upon to give the lion's share of a subsidy mounting through the years to hundreds of millions from its own Treasury to ships with which its own can not compete. The blow such a measure would deal to the value and availability of the present fleet can hardly be measured. The Germans found a way to sink their ships at Scapa Flow. Is this another way to sink ours? The whole transaction looks as if a fleet of merchant ships built with the money of the people must be annihilated to enable more ships to be built by private interests at the further expense of the people.

This subsidy to private shipowners is morally wrong. Congress has no more right to take the money of the taxpayers and hand it over to men and corporations engaged in ship operation than it has to give it to those engaged in other trades as an inducement or premium for the pursuit of their vocations. It would be legislative embezzlement of the most vicious type.

This subsidy is economically wrong. No merchant marine will endure upon the artificial basis of cash donations from the Government. A permanent marine must be built on merit alone—merit and ability matched against the competition of the world. The receipt of a subsidy postpones the hour of real trial, the trial which the recipient will face with weakened will when the subsidy ceases, as cease some day it must. The ship that survives in ocean trade is the ship that makes its way solely from the returns its services produce. Armed with that capacity its place on the main is a lasting one.

This subsidy is practically wrong. With more ships on hand than we can use, why build more? With a Government-owned fleet, which cost the people nearly two billions and a half, more than two-thirds of which is in lay up awaiting the revival of commerce, with an American merchant marine composed of both Government and private ships, and all managed privately, transporting more than 50 per cent of our foreign trade tonnage, composing the largest merchant marine in our history—the second largest in the world—why expend four hundred and fifty millions in gratuities and hundreds of millions in loans to force the construction of more ships. The cry of the war was more ships, and they blossomed from the ways by thousands, exemplifying the constructive genius of a Schwab, the executive capacity of a Hurley, the energy of a Piez, the unerring judgment of a Payne, the intellectual power of a Benson. The cry of peace is not more ships but more markets. We have the ships. What we need is a secure world market. Give us that and our present shipping facilities will be more than ample.

This subsidy will be a source of increased expense. Its elaborate ratings will require elaborate supervision. It means the installation of a new system in the promotion of our merchant marine, a system largely experimental. New and experimental systems are costly, as a rule, to the last degree. The statement that the Fleet Corporation is losing fifty millions a year was based partly on items during the last fiscal year that are rapidly disappearing. It was based on an excess of construction cost over outlay of nearly twenty millions, but the construction program is practically ended. It was based also on an excess of transportation and housing cost over outgo of over fifteen

millions, but these elements will vanish as construction ceases. The Shipping Board's consolidated cash statement for the last fiscal year, covering receipts and disbursements of all kinds, shows an unexpended balance on June 30, 1922, of \$86,521,117.02, as against an unexpended balance on June 30, 1921, of \$34,047,304.54.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. LENROOT in the chair). Does the Senator from Texas yield to the Senator from Tennessee?

Mr. SHEPPARD. I yield.

Mr. McKELLAR. I should like to inquire how they figure out their loss at \$50,000,000 a year with that kind of a cash balance staring them in the face?

Mr. SHEPPARD. That is as much of a mystery to me as the advocacy by the Shipping Board of a subsidy after denouncing the principle of the subsidy in their last annual report.

This subsidy operates unfairly even among its beneficiaries. Based on speed for all ratings above the minimum the faster and costlier the vessel the larger will be the subsidy. In fact, it was recently announced that eastern capitalists were preparing to construct, with the enormous financial aid they would receive under this bill in the event it became law, two passenger liners eclipsing in size and speed anything the world has yet beheld; liners 1,000 feet long and of 70,000 gross tons each; liners that would make the *Majestic* and the *Leviathan* look like canal boats. It has been estimated that these ships would get about \$4,000,000 a year in basic subsidy under this bill, or twice that amount if the board should so allow, the board having the power to double the basic grants.

An expert of the Shipping Board testified at the hearings that the *Leviathan* would get \$900,000 a year in basic subsidy from the Treasury under this bill, and the subsidy could be doubled under this bill if the board should so desire. On the other hand, ordinary cargo vessels, such as make up the bulk of the present Shipping Board fleet and such as carry most of the world's commerce, including farm products, would receive only a few thousand dollars each per annum. It will be seen that the subsidy favors the huge and luxurious passenger vessel, designed mainly for the accommodation of the wealthier classes, the pleasure seekers, the tourists, the globe-trotters, the moneyed idlers, the feasters, and revelers of America's vulgar, dollar-worshipping aristocracy.

This subsidy is an abdication by Congress of the control it should retain over the disposition of the people's money. Under this bill, as it comes to the Senate, the board has the power to grant subsidies for 10 years in semiannual payments, and the moneys needed to meet such payments are permanently appropriated in advance. The House put in a provision—a provision which the Senate Commerce Committee has stricken out—to the effect that these payments could not be obtained except from annual congressional appropriations, approximately as the payments were earned and became due. This is the way our public-building contracts and our river and harbor contracts are handled. Why make an exception of the men to whom we are giving money as an inducement to continue their usual vocation? It is a healthy thing for Congress to retain the power of appropriation to meet deferred contract payments it has authorized. The retention of such power is a salutary check on executive and administrative agencies.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Tennessee?

Mr. SHEPPARD. I yield to the Senator.

Mr. McKELLAR. In that connection, if this bill with the cash subsidy provision in it shall pass the present Congress, it is almost certain that the next Congress will repeal that portion of the bill; and the result will be that we will have on our hands for the next 10 years claims for damages on account of the discontinued payments.

Mr. SHEPPARD. And we would have the further anomalous condition of such contracts as had been entered into by the board after the bill became a law and before its repeal being beyond the power of Congress to recall.

Mr. McKELLAR. Well, I think constitutionally, perhaps, the Congress would have the right to change the contracts, but the same restriction is not in the Federal Constitution that is in the usual State constitution. If, however, we repealed the law these people would have a claim for violation of their contracts with us, which would cost the Government, no doubt, a very large sum. I think it is conceded by everybody that even should this cash provision of the subsidy bill be passed the next Congress will certainly repeal it, because we all know that the next Congress will not be favorable to it.

Mr. SHEPPARD. In any event, the result will be extremely undesirable.

Mr. McKELLAR. Certainly.

Mr. SHEPPARD. Furthermore, the language of the subsidy section limiting subsidy payments to \$30,000,000 a year is so indefinite as to invite violation. The board is forbidden to make contracts which it is satisfied will exceed in totality thirty millions a year. If a mistaken satisfaction, an erroneous self-assurance, should lead it to make contracts involving forty millions or fifty millions Congress would be helpless to undo them. The mere recital by the board of its "satisfaction" that the limit would not be exceeded would justify a transgression of the proposed limit.

This subsidy is a contradiction of all for which America stands. It is a denial of the principles on which the career of this Republic is based, individual initiative, resource, and responsibility, equality of opportunity, impartiality of authority. It belies our history and imperils our institutions. It brings us to the brink of an issue involving the nature and genius of our ideals. Shall we turn from the pathway along which we have walked in glory for more than a hundred years? Shall we erase the legend of equal rights from the heart and memory of the Union and substitute the sinister symbols of special privilege?

If so, the Constitution of the United States may be resolved into a single word: Subsidy!

SENATOR M'CORMICK'S LETTER TO SENATOR LODGE.

Mr. HARRISON. Mr. President, as time drags itself along incidents often happen that in the making attract no attention, but which are of sufficient importance when brought to light to impress themselves upon the whole country. There was such an incident just before the recent election. It involved what is or should be an historic document, a document which should be preserved in the archives of the country. I am going to have it placed in the Record so that generations yet to come may have an opportunity to read it. It was the expression of one high in authority and one who spoke by the card, so to speak.

I refer to the letter which was written by the distinguished Senator from Illinois [Mr. M'CORMICK], a member of the majority in this Chamber, chairman of the Republican senatorial campaign committee. He wrote the letter to the leader of the Republican Party in this body. The peculiar part of the incident was that the letter was written immediately before the election, with instructions not to have it printed until after the election. It so happens that it was printed just as the Senator had left the shores of America, sailing over the placid waters of the Atlantic, on his way to European lands, to put out feelers, for the President, perhaps, touching economic conditions in Europe. It was to be published after he had removed himself from the shouts of a victorious Democracy, far and away from the lamentations of his repudiated colleagues and party bearers. I do not know whether Senators on the other side of the aisle have read this remarkable document, so I am going to ask to have it read at the desk. I am sorry the Senator from Illinois is not now in his seat, because I sent him word and I had hoped he would be here. I am sorry the distinguished leader on the other side of the Chamber, the Senator from Massachusetts [Mr. LODGE], to whom the letter was sent, is not in his seat. I told him that perhaps the matter would come up. But those two Senators have conveniently absented themselves.

Mr. President, I send to the desk and ask to have read the letter to the Senator from Massachusetts [Mr. LODGE] from the Senator from Illinois [Mr. M'CORMICK].

The PRESIDING OFFICER. Without objection, the letter will be read as requested.

The reading clerk read as follows:

DEAR SENATOR LODGE: You know that I was greatly disappointed not to see you in Massachusetts, before sailing to Europe, there to see my mother and to make some study of economic conditions. I wanted to talk with you again upon the urgency of putting aside the rule under which the chairmen of the Senate committees are chosen by reason of their seniority of service on the committees, and for no other reason, and to talk with you, too, about the constitution of a steering committee which may be truly representative of the average opinion of the Republican majority of the Senate and which, in collaboration with the steering committee of the House, may labor energetically and effectively to enact our legislative program.

We owe the country the creation of such a steering committee and the abolition of the binding seniority rule. I can speak so frankly to you because of the intimate consideration which you have always shown me and because of your own energetic and representative activity. But we do know that although in a majority of instances the men who have become chairmen through seniority have been good chairmen, there have been others who were unfitted for their posts by reason of extreme old age or of failing health or because of grave differences of opinion with the majority of their Republican associates.

DUTIES OF A CHAIRMAN.

Certainly I would be the last to challenge the right or the duty of a Senator to assert his independent opinion or to differ with any majority. A Senator is elected to represent his constituency according to his best judgment and his conscience, but the chairman of a committee acts not in his sole representative capacity but as the representative of the majority of that committee of the majority in the Senate to which he belongs. Naturally, more, he is the executive agent of the committee, burdened with the labors of the committee, and required vigilantly to press for the consideration of the bills reported by it.

The old system served very well in the old days. In the majority of cases, as I have already said, the majority of chairmen who have come to their posts under the seniority rule have been representative and capable chairmen, but the Republican conference and the Republican steering committee owe it to the country to put aside the rule, just as the conference owes it to the country to make provision for the selection of a truly representative steering committee, which shall meet regularly and which as occasion may require shall meet with the corresponding committee of the House.

There is no other way in which we can dispatch the great volume of business devolved upon Congress as a consequence of the war, bring the sessions of Congress to a reasonably early conclusion, and, finally, make certain that we write legislation which represents the common judgment of the majority of the country and meets its pressing needs.

I wish I might have talked this over with you, as I have had opportunity to talk it over with other Senators during the campaign, and since the campaign with CURRIS. I feel very certain that you will agree with us, and I write now in the hope that if Congress reassembles before the end of my hurried journey to Europe, you will have counseled with other Senators to the end that we may do our duty to the country.

Always faithfully yours,

MEDILL McCORMICK.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Idaho?

Mr. HARRISON. I yield to the Senator.

Mr. BORAH. Has the Senator from Mississippi seen the reply to that letter?

Mr. HARRISON. No; and that is why I wanted the majority leader to be on the floor of the Senate, in order that he could read to us a copy of the reply. The newspapers have not carried the reply. It is another chapter in secret diplomacy.

Mr. POMERENE. Mr. President—

Mr. HARRISON. I yield to the Senator from Ohio.

Mr. POMERENE. Were there any reservations in that reply?

Mr. HARRISON. I suspect that there were many upon the part of the Senator from Massachusetts. A copy of this letter, I think, was sent to the vice chairman of the majority party, the distinguished Senator from Kansas [Mr. CURRIS], who graces us with his presence. I do not know whether he has made reply as yet to the copy of that letter.

Mr. CURTIS. There was no reply asked for in my case.

Mr. HARRISON. That is a good excuse for the Senator not to make reply.

Mr. McKELLAR. The session of Congress was not delayed, was it?

Mr. HARRISON. No; I think not.

Mr. President, on yesterday I asked that the resolution offered by the Senator from Washington [Mr. JONES] touching the appointment of a select committee to revamp the rules of the Senate be referred to the Committee on Rules. In that resolution the Senator from Washington desired that the committee be "authorized and directed to study the rules of procedure of the Senate, and to report and recommend what changes should be made in order to expedite business and enable a majority to bring a question to a vote for final action."

Mr. CARAWAY. Will the Senator from Mississippi yield to me for just a moment?

Mr. HARRISON. I yield.

Mr. CARAWAY. I hope the Senator from Mississippi does not take an exception to that part of the resolution which advises the colleagues of the Senator from Washington [Mr. JONES] to study the rules of the Senate.

Mr. HARRISON. No, I do not; for a good many of them ought to study the rules of the Senate. However, that would not go to answer the charges that are made by the American people against this Congress.

The distinguished Senator from Illinois [Mr. McCORMICK], who wrote the letter to the majority leader which I have had read at the Secretary's desk, differs from the Senator from Washington. He does not lay the blame to the fact that the rules are antiquated and need revising, but he says that Senators on the other side have a steering committee that does not steer legislation properly through the Senate; that on some committees there are chairmen who should not be chairmen at all; that there should be a change of policy here; and that it is "due to the American people" that that course should be pursued.

Perhaps some Senators do not catch the force of some of the expressions which are contained in the remarkable historic

document which I have had read. Let us look merely at a few passages of it.

[At this point Mr. HARRISON yielded for the presentation by Mr. FRELINGHUYSEN of the certificate of election of Senator elect EDWARD I. EDWARDS, of New Jersey, which was read and ordered to be placed on file.]

Mr. BALL. Mr. President—

Mr. HARRISON. If the Senator from Delaware desires to present the commission of another Democratic Senator, I yield to him for that purpose.

[Mr. BALL presented the certificate of election of THOMAS F. BAYARD, of Delaware, which was read and ordered to be filed.]

Mr. HARRISON. That is very good reading. I am very thankful to the Senator from New Jersey and the Senator from Delaware for interrupting me so that commissions bringing more Democrats into the Senate might be read. Those commissions, however, add weight and force to this remarkable letter. They are breathing examples of its living truths.

Mr. President, the distinguished Senator from Illinois—and I regret to see that he has not come into the Chamber as yet—said:

I wanted to talk with you again upon the urgency of putting aside the rule under which the chairmen of the Senate committees are chosen by reason of their seniority of service on the committees and for no other reason, and to talk with you, too, about the constitution of a steering committee which may be truly representative of the average opinion of the Republican majority in the Senate.

It is pretty hard to ascertain the average opinion of the Republican majority in the Senate at this time on any question; but I am curious to know just who constitute the membership of the steering committee on the majority side. I see sitting before me a very distinguished leader of the Republican Party [Mr. WATSON], and it may be that he can tell us just who are the members of the steering committee against whom the distinguished Senator from Illinois inveighs and whom he criticizes.

Mr. WATSON. Mr. President, I should like to say to the Senator from Mississippi that I do not know who they are.

Mr. HARRISON. There we are. I am wondering if the Senator from Illinois is a member of the steering committee. Certainly the Senator from Indiana is not a member of the steering committee, or he would know its members, because he always knows "where he is at." It may be that the Senator from Utah [Mr. SMOOT] can give us the information.

Mr. SMOOT. I am not a member of the committee, and I do not know.

Mr. HARRISON. We can not find out much about the personnel of the Republican leadership in this body. The Senator from Utah says he is not a member of the steering committee and does not know who its members are. I wonder who does know the membership of the Republican steering committee. Perhaps the reason why things have been going so badly is that nobody knows who constitute the steering committee. Is that the way legislation has been "steered" through this body? Is that the reason why the Republican Party brought in a bill here to loan to Liberia \$5,000,000 and consumed about six weeks of time and then sent it back to the committee without any action? Is that the work of the steering committee, the members of which no Republican Senator sitting before me knows. I wonder if the Senator from Oregon knows or if the Senator from South Dakota knows. Does not anybody know who constitute the steering committee? [Laughter.]

Mr. CARAWAY. Mr. President—

Mr. HARRISON. I yield to the Senator from Arkansas.

Mr. CARAWAY. I was going to suggest that perhaps the steering committee is not made up of Members of the Senate.

Mr. HARRISON. Perhaps not; it has been transplanted to the other end of Pennsylvania Avenue.

Mr. STERLING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from South Dakota?

Mr. HARRISON. I yield to the Senator to give us the names of the steering committee.

Mr. STERLING. I apprehend that the members of the committee are in the performance of their duties now and that is the reason they are not on the floor of the Senate.

Mr. HARRISON. Well, they have been performing their duty in that way for a long time, because they never stay on the floor and they never tell the Senate what to steer. That is the trouble.

I do not blame the Senator from Illinois for penning this letter to the distinguished leader of his party in the Senate. It will be noted that the letter was written at a time when the Senator from Illinois had just returned from the smoke of political battle in many sections of the country. He had

heard the clash of political steel in Ohio, Michigan, and practically all the States of the Union; Massachusetts was the exception. He confesses in his letter that he did not take part in the campaign in Massachusetts. Perhaps if he had done so he might have increased the majority of his distinguished leader, or it may have been that the distinguished leader on the Republican side would have been defeated; who knows?

Mr. McKELLAR. The Senator means his plurality, does he not?

Mr. HARRISON. His plurality, yes; that is better.

Mr. CARAWAY. I was going to suggest that he might have increased the plurality, but whose plurality?

Mr. HARRISON. Well, Mr. President, one who is designated by his colleagues as chairman of the Republican senatorial campaign committee is bound to have great weight and influence; and so, soon after he had come into contact with the people, heard their complaints, saw the closed factories, realized the extent of unemployment, and listened to the criticisms of the farmers of the great Middle West and of the miners of the mining sections of the country, he penned these lines in which he said to the leader of his party in the Senate, "I will tell you we can not go on this way; we have got to revamp the 'unknown' steering committee of the Senate; we must get new chairmen; we must mend our ways." He said this about that:

The old system served very well in the old days.

Before the election of Senators by the direct vote of the people, of course, it served all right; but this progressive Senator from the great State of Illinois, whose campaign is rapidly approaching, who must go before his people next year, and who, as that occasion approaches, becomes more progressive all the time, says:

In the majority of cases, as I have already said, the majority of chairmen who have come to their posts under the seniority rule have been representative and capable chairmen—

That is a broad confession on the part of the Senator from Illinois; but he continues—

but the Republican conference and the Republican steering committee owe it to the country—

Not to the Republican Party but to the country—

to put aside the rule, just as the conference owes it to the country to make provision for the selection of a truly representative steering committee—

one which will respond to the needs of the country.

Who is the steering committee? I am sorry the distinguished vice chairman of the Republican conference has left the Chamber, for I was just getting ready to propound an inquiry to him, because somebody knows who constitute the steering committee, which is not representative of the average Republican majority here.

I have no idea who it is that the chairman of the Republican senatorial campaign committee is talking about. If he is indirectly finding fault with the leadership of the Senator from Massachusetts he should have been a little more explicit, because when you read the lines closely the letter carries that insinuation. I do not know whether the Senator from Massachusetts put that construction on it or not. I am sorry he is not here, so that he could tell us, but he is not. At any rate, the chairman of the Republican senatorial campaign committee is finding fault with the steering committee, and I imagine—I wish some one over there would tell us—that the leader of the majority party in this body is the chairman of the steering committee.

Mr. STERLING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from South Dakota?

Mr. HARRISON. Yes; I yield.

Mr. STERLING. Does not the Senator think the situation grave enough to have an investigating committee appointed?

Mr. HARRISON. To investigate the steering committee?

Mr. STERLING. No; to find out who the steering committee is.

Mr. HARRISON. Yes, I think so; but I do not think you are going to find anyone over there who will admit being on it, who will assume the responsibility for the do-nothing policy that you have adopted and the record that you have made. What sayeth the Senator from Indiana [Mr. WATSON]?

Mr. WATSON. Mr. President—

Mr. HARRISON. I yield to the Senator.

Mr. WATSON. I can say to my genial friend from Mississippi that I think, without knowing, that the Senator from Massachusetts [Mr. LODGE] and the Senator from Kansas [Mr. CURTIS] are both on the steering committee.

Mr. HARRISON. That is two.

Mr. WATSON. I am not a member of the steering committee, and therefore am not interested. I know that when we have measures in which we are especially interested, of sufficient gravity to excite the attention of the country, or we deem it necessary to call especial attention to any measure of particular merit, we have conferences for the purpose of determining our course of procedure. Whether or not the steering committee ever functions, of course I am not able to say, and therefore I can not gratify the wishes of my friend by telling him who they are or whether or not they ever meet. It will be necessary for him to ask some member of the committee in order to obtain that information.

Mr. HARRISON. The Senator from Indiana does not agree with his colleague from Illinois, then, that the steering committee needs changes badly and that the whole fault is in the steering committee, does he?

Mr. WATSON. No; I do not think the fault is in the steering committee. As long as the steering committee does not steer, I guess it does not matter much who its members are.

Mr. HARRISON. So the Senator thinks that the Senator from Illinois was just mistaken about this charge that he has made?

Mr. WATSON. The Senator from Illinois may have some knowledge of the situation that I do not possess as to the functions or functioning of the steering committee. He may know whether or not they have met. I do not.

Mr. HARRISON. Does the Senator see any reason for changing the rules as suggested by the chairman of the Republican senatorial campaign committee?

Mr. WATSON. I am very decidedly in favor of changing the rules of the United States Senate.

Mr. HARRISON. According to this suggestion?

Mr. WATSON. No; I am not interested in that; but, inasmuch as the Senator has asked me, I am interested in changing the rules so that after a reasonable discussion a majority can transact the business of the country that we were sent here to transact. If I had my way about it, if there should be no special session of Congress, I would have the President call a special session of the Senate of the United States for the express purpose of changing its rules, and of sitting here long enough to change them, so that a majority of the body might function and prevent what is going on now in the United States Senate, namely, a filibuster.

Mr. HARRISON. Does the Senator think there is a filibuster now going on?

Mr. WATSON. I do.

Mr. HARRISON. And the Senator from Utah [Mr. SMOOT] agrees with him as to that?

Mr. SMOOT. Oh, certainly I do.

Mr. HARRISON. And yet the Senator from Utah this morning, while the distinguished Senator from Texas [Mr. SHEPPARD] was delivering a prepared speech—

Mr. SMOOT. Yes; it was prepared.

Mr. HARRISON. Yes; it took him months, and if the Senator from Utah had studied the question of ship subsidy as the Senator from Texas has he would not hold to the views that he has now in favor of this bill. But, while the Senator from Texas was delivering himself of this splendid speech, thoroughly prepared, giving information to the country—every line and syllable of the speech was touching the subject matter—the Senator sought an interruption and took up the time of the Senate in reading a whole lot of data in some report about rents; and that is generally the case. More of the time of the Senate is taken up by Senators on the other side than by Senators on this side, and yet they charge a filibuster!

Mr. SMOOT. Of course the Senator can say that, but the record will speak. I simply asked the Senator from Texas if he would yield to me in order that I might present that report that I wanted to make before the end of the year as chairman of the building commission.

Mr. HARRISON. Well, he yielded.

Mr. SMOOT. He did, and he yielded very graciously. I would not have asked him to yield, but I expected the Senator from Texas to speak the balance of the day. I did not know what amount of time had been assigned to him to occupy in this filibuster. It might have been all day to-day, and it might have been all day to-morrow, and I wanted to get that report in, and it took only a few minutes. I do not know what assignments have been made for each one of the Senators on the other side. I know, of course, that the Senator from Mississippi is going to take this time here. He is not talking about the shipping bill.

Mr. HARRISON. I am trying to get from the Republican side some information that I can not get.

Mr. SMOOT. The Senator can get it by not standing on the floor.

Mr. HARRISON. Mr. President, I want to ask the Senator from Utah if it is not a fact that after he had read and read and read from some report that nobody had heard anything about or knew anything of or cared anything about one of the Senators on his side had to ask him for goodness sake to desist and not read any more but to put it in the Record?

Mr. SMOOT. No; that is not the fact, Mr. President.

Mr. HARRISON. Did not the Senator from Connecticut [Mr. BRANDEGEE] ask the Senator that?

Mr. SMOOT. No; the Senator from Connecticut did not.

Mr. HARRISON. And then did not the Senator from Utah say, "Oh, well, if you do not want to hear it, all right"?

Mr. SMOOT. Mr. President, the Senator from Connecticut did not ask that. The Senator from Connecticut objected to the Senator from Florida [Mr. FLETCHER] interrupting me, which the Senator from Connecticut thought, and no doubt truly, was for no other purpose than to take up time; it was a part of the filibuster; and therefore he objected to my answering those questions, as I was speaking by unanimous consent. That is the truth of the case.

Mr. HARRISON. Let us get the reporter's notes and have them read and see just what did transpire.

Mr. SMOOT. That is part of the filibuster, too. That would take that much time.

Mr. WATSON rose.

Mr. HARRISON. I yield now to the Senator from Indiana.

Mr. WATSON. Mr. President, as eager as we are always to listen to the very mellifluous language and flow of speech of the Senator from Mississippi, if the steering committee on this side were really steering the business of the Senate—

Mr. HARRISON. They are not.

Mr. WATSON. I doubt very seriously whether they would steer the Senator on the floor as often as he appears.

Mr. HARRISON. I know that I am not under the directions of the Republicans. I would not be. That is one charge I would not desire even my friend from Indiana to make against me.

Mr. WATSON. Does the steering committee on the other side function, and can the Senator tell me who the members of that committee are?

Mr. HARRISON. Yes; I can tell the Senator every one of them; and we function, too.

Mr. WATSON. Do they ever meet?

Mr. HARRISON. Yes; we meet every time you try to put over some nefarious legislation here, and we try to stop it.

Mr. WATSON. Does the Senator say in all seriousness that the members of the steering committee on the other side really meet?

Mr. HARRISON. Oh, yes; when the occasion arises; and we know our steering committee members. We are not ashamed of the fact that they are members.

Mr. WATSON. Has the steering committee on the other side had a meeting this session?

Mr. HARRISON. Oh, yes; I think they have had several meetings.

Mr. WATSON. The Senator thinks so. Does he know?

Mr. HARRISON. There was not much reason, really, for the steering committee to meet this time, because we all knew that we were against the ship subsidy bill as soon as it was proposed, and that is the only thing that has been up.

Mr. WATSON. Precisely. Is the Senator a member of the steering committee?

Mr. HARRISON. No; I am not a member of it.

Mr. WATSON. Can the Senator name the members?

Mr. HARRISON. Yes. Does the Senator want me to name them?

Mr. WATSON. No; I am not interested.

Mr. HARRISON. I want to give the Senator information, even though he does not reciprocate.

Mr. President, I thought there would leak out in this discussion what is being planned, I will not say by the steering committee but by the majority side of this Chamber, deliberately done; and this is what it is—to try to impress the country with the idea that the Democrats are filibustering. The Senator from Utah last Friday, when the Senate had not been in session an hour and a half, charged that there was a filibuster on this side of the Chamber. Every time the argument gets too hot for the Senator from Utah, and he can not make a legitimate answer, he cries "Filibuster!" Why, he whispers it sometimes while he is at his desk writing a letter back to his constituents in Utah—"Filibuster!" I imagine sometimes he cries it in his dreams.

What has happened? We have been in session only about four weeks, and several days of that time were taken up by the Christmas holidays, and more days were taken up by the

New Year holidays. During that time we passed four large appropriation bills. We assisted you in passing them. I have never seen a debate so confined to the issue as that that has been presented on this floor with reference to the ship-subsidy legislation. Why, I think when the Payne-Aldrich tariff bill was up in the Senate you discussed it for about six months in the Senate; it may have been longer than that. Here is a ship subsidy bill that will make every consumer in the country feel the heavy burden of increased taxes, and when we propose to discuss it and unfold its nefarious provisions to the American people we are told by the leaders on the other side, not members of the steering committee—because nobody knows who the members of the steering committee are—that there is a filibuster in progress! If there were a filibuster here upon the part of the Democratic side you would not have passed a single appropriation bill by this time; yet there has not been a whole day consumed in the consideration of a single appropriation bill that carried millions of dollars of appropriations by the Congress. Filibuster! Is not the Senator sorry he made that assertion?

Mr. WATSON. I will explain what I meant.

Mr. HARRISON. I yield to the Senator.

Mr. WATSON. I can express my sorrow in these words: First, I express gratification at the fact that our friends on the other side have not filibustered or attempted to filibuster against the passage of any appropriation bill, for which we are duly grateful.

Mr. HARRISON. Did the Senator ever see appropriation bills passed through the Senate with more haste?

Mr. WATSON. I never have.

Mr. HARRISON. And yet the Senator from Utah [Mr. SMOOT] says there is a filibuster!

Mr. WATSON. No; not on appropriation bills, which everybody understands; but I express my sorrow over the fact that our Democratic friends have determined, as nobody knows they have better than my friend from Mississippi, that there shall not be a vote taken at this session of Congress on the passage of the ship subsidy bill. Is not that a fact?

Mr. HARRISON. I do not know that it is a fact. I should like to see the bill killed.

Mr. WATSON. Certainly.

Mr. HARRISON. And I hope there will not be a vote taken on the proposition.

Mr. WATSON. Precisely.

Mr. HARRISON. But I am not going to take part in a filibuster against the bill, and I know of no Senator on this side who intends to filibuster against the ship subsidy bill.

Mr. WATSON. Mr. President, of course the Senator would like to see the bill killed, because he is opposed to it, and he is conducting himself in a manner that tends to kill it.

Mr. HARRISON. Because I am talking about this letter from your chairman to the leader of your party in this body touching the organization of the Senate?

Mr. WATSON. Certainly. Now, let me ask my friend, who is always frank and candid, if it is not a fact that he and his associates do not intend that any vote shall be taken on the ship subsidy bill at this session?

Mr. HARRISON. I know nothing about it. They have not taken me into their confidence. I know one thing: If you do adopt that plan, if you ever pass a ship subsidy bill, you will not make as good a race next time as you did this last time in Indiana.

Mr. WATSON. We did very well in Indiana, I think.

Mr. CARAWAY. I think so, too.

Mr. HARRISON. I think, too, that the Senator's party did better than he really thought they would do.

Mr. McKELLAR. They did splendidly in Indiana.

Mr. WATSON. No; they did not do as well as I thought they would do.

Mr. HARRISON. But they did as well as he hoped they would—no, I will not say that. I withdraw it.

Mr. WATSON. The Senator ought to withdraw that.

Mr. HARRISON. I withdraw that, because the Senator made speeches all over Indiana, and they were good speeches.

Mr. WATSON. I thank the Senator.

Mr. CARAWAY. Every county into which the Senator went, went Democratic.

Mr. HARRISON. I do not know whether the Senator's fingers were crossed at the time or not, but he made good speeches.

Mr. WATSON. I know that my friend, on account of our close relationship, would not do me an injustice.

Mr. HARRISON. I certainly would not.

Mr. WATSON. The Senator knows that when a man is nominated by my party I am for that candidate. I am a regular Republican.

Mr. HARRISON. There is no question about that.

Mr. WATSON. Not the slightest, and I supported the candidate for the Senate in Indiana with the same zeal that I supported the rest of the ticket, at all times, and under all circumstances.

Mr. HARRISON. With too much zeal.

Mr. WATSON. And no one is warranted in making any assertion to the contrary.

Mr. HARRISON. The Senator understood me to say he made many eloquent speeches throughout Indiana, did he not?

Mr. WATSON. For which I thanked the Senator.

Mr. HARRISON. The Senator agrees with me in that statement, does he not?

Mr. WATSON. I certainly do. [Laughter.]

Mr. President, while we are in an affable and humorous frame of mind, I really want to become serious enough to ask my friends on the other side, several of whom are confronting me with their faces wreathed in smiles, while in that frame of mind, I want to ask them deliberately and candidly to tell me whether or not they intend that a vote shall ever be taken on the ship subsidy measure at this session of Congress?

Mr. HARRISON. It depends. If your steering committee would get to functioning or reorganize, as suggested by the Senator from Illinois, so that you would really transact the public business and you knew how to do it, you would get to a vote.

Mr. WATSON. Inasmuch as I should like to test, I will not say the sincerity of my friend, because he is always sincere—

Mr. HARRISON. I thank the Senator.

Mr. WATSON. But his sincerity in the statement just made; inasmuch as it is my belief that the Democrats do not intend that any vote shall be taken on the ship subsidy bill at this session, in order to test their sincerity I now ask unanimous consent that we vote on the ship subsidy measure two weeks from to-day.

Mr. HARRISON. That is the way with the Senator; he does not want a bill discussed, so that the American people can be informed about it.

Mr. WATSON. Then I ask unanimous consent that we vote on the measure six weeks from to-day.

Mr. HARRISON. I have no objection myself, but there ought to be a roll call and Senators should be here. If the steering committee of the Republican Party thought that that might be done, they would themselves object.

Mr. WATSON. Mr. President, I can not take time to hunt up the steering committee.

Mr. HARRISON. The Senator can not locate it.

Mr. WATSON. In the first place, I do not know who they are, and, in the second place, they do not have anything to do with steering my conduct at this time. I am now asking unanimous consent of the Senate that a vote on the ship subsidy bill may be taken six weeks from to-day at 4 o'clock.

Mr. McKELLAR. May I offer an amendment to the Senator's request for unanimous consent?

Mr. WATSON. I think not. I am anxious to have the Chair state my proposition.

Mr. McKELLAR. The Senator might be willing to accept my amendment.

Mr. WATSON. I will permit the Senator to state it.

Mr. McKELLAR. That we vote 30 days after the next session of Congress meets.

Mr. WATSON. I will accept no such amendment as that. I would like to have the Chair state the request.

Mr. HARRISON. Would the Senator agree to an amendment that no "lame ducks" vote on this proposition?

Mr. WATSON. I would like to have the Presiding Officer put my proposition to the Senate.

Mr. KING. I think there is no necessity for that. I object, if it is put in that form.

The PRESIDING OFFICER. The Senator from Utah objects.

Mr. WATSON. Did I understand the Senator from Utah to object?

Mr. KING. To relieve the Chair from the burden of putting the request, I object.

Mr. HARRISON. And because of the embarrassment it would cause the Senator's party.

Mr. WATSON. It would be no embarrassment, I can assure my friend.

Mr. HARRISON. Did the Senator have some other interruption?

Mr. WATSON. Not at all.

Mr. HARRISON. Mr. President, I am sorry the Senator took up so much of my time—

Mr. POINDEXTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Washington?

Mr. HARRISON. I yield.

Mr. POINDEXTER. If the Senator will yield for that purpose, I ask unanimous consent that the Chair lay before the Senate a message from the House on the naval appropriation bill.

Mr. HARRISON. The Senator is going to spoil a very good speech; but I will yield the floor in one minute, and then the Senator can get that action taken.

Some one has handed me a list—a Democrat, I think—headed "Republican committee on order of business." I wonder if that is the same thing as the steering committee? I can get no reply. Nobody knows. Do none of the Senators on the other side know anything about the movements of the Republican Party in this body? [Laughter.]

Mr. SMOOT. That is what the Senator terms the "steering committee."

Mr. HARRISON. Steering committee: McCUMBER, chairman; LA FOLLETTE, of Wisconsin; WADSWORTH, of New York; FERNALD, of Maine; FRANCE, of Maryland. They will have to revamp it after the 4th of March. FRELINGHUYSEN, New Jersey. KELLOGG—the people revamped it for you. McCORMICK, of Illinois. I wonder if he knew he was a member of the steering committee. And LODGE, ex officio member. Of the steering committee, which has steered the party in this body, four were defeated in the recent reckoning. No wonder the Senator from Illinois found fault, and the people recorded it with their votes. McCUMBER, FRANCE, FRELINGHUYSEN, and KELLOGG will be with us no more. So you will have an opportunity, after the 4th of March, of getting a new steering committee, in part, and carry out the suggestions, at least to that extent, made by the Senator from Illinois to the Senator from Massachusetts.

Mr. President, the strange thing about all of this is that he wrote this letter immediately after a return from these various States, hearing the criticisms of the people, and knowing what the issues were; but he said, "Do not have it published until I am away out upon the briny deep." But I noticed this in one of the papers of November 7:

The Senator said to-day—

That is, the day he was leaving—he thought the news would be so sad that he could not stay here to receive it—

The Senator said to-day that the campaign had been hard work. He compared it to flogging a dead mule, saying that the voters in most States seemed satisfied and contented with the Republican administration, and that it had been hard to convince them that they ought to go to the polls to express their approval of President Harding and his work.

Then he prophesied an increased majority in the Senate, and I think an increased majority in the House. But on November 13, when this letter was published, it was stated that Senator McCORMICK was informed by radio of the severe blow suffered by the Republican Party in contests for the Senate and the House.

Mr. President, this letter, written under the circumstances, is a plea of confession upon the part of the distinguished chairman of the Republican senatorial campaign committee that his party has not made good. It is an indictment against you which should be answered. It is the stroke of a bold and courageous public servant. It will be an historic document, even though it was withheld from the public until the distinguished senatorial chairman was far wafted upon the bosom of the mighty Atlantic.

NAVAL APPROPRIATIONS.

Mr. POINDEXTER. I ask the Chair to lay before the Senate the action of the House of Representatives on the naval appropriation bill.

The PRESIDING OFFICER (Mr. LADD in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 13374) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1924, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. POINDEXTER. I move that the Senate insist upon its amendments, that the request of the House for a conference be granted, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PAGE, Mr. POINDEXTER, Mr. HALE, Mr. SWANSON, and Mr. GLASS conferees on the part of the Senate.

CALL OF THE ROLL.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Fletcher	McKinley	Spencer
Bayard	Frelinghuysen	McNary	Stanley
Borah	George	Nelson	Sterling
Brookhart	Glass	New	Sutherland
Broussard	Harris	Nicholson	Townsend
Bursum	Harrison	Norris	Trammell
Calder	Heflin	Oddie	Underwood
Cameron	Johnson	Overman	Wadsworth
Capper	Jones, Wash.	Pepper	Walsh, Mont.
Caraway	Kendrick	Poindexter	Warren
Couzens	King	Ransdell	Watson
Curtis	Ladd	Reed, Mo.	Weller
Dial	La Follette	Reed, Pa.	Williams
Dillingham	Lenroot	Sheppard	
Ernst	Lodge	Smith	
Fernald	McKellar	Smoot	

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, a quorum is present.

PAYMENT OF PENSIONS.

Mr. DIAL. Mr. President, I read in the newspapers last night about the best news I have heard in a long time, to wit, that the President of the United States had vetoed a pension bill. I must say that I had very little hope of any such act being performed, but it is indeed encouraging and reassuring.

I had not been in the Senate more than two or three months until there was a pension bill brought up for consideration providing for a considerable increase of Civil War pensions. I confess that I thought it was out of place, considering the condition in which the country was at that time and considering the great length of time that had transpired since the close of the Civil War. I ventured at that time to make a few remarks in opposition to the measure. I stated that I knew my effort was in vain, that it was useless to oppose the bill—at least that I had been so informed. However, I did not believe that the honest people of the United States in any section favored any such legislation. So I at least entered my protest.

Since that time there have been other bills before the Senate against which I have ventured to speak, almost in season and out of season, but I was very much discouraged and I could get very little, if any, help. There were a few Senators who entertained the same views I did, but we were so hopelessly in the minority that we did not make much of an impression upon this body. I had made up my mind, however, and had announced just yesterday that henceforward I expect to oppose any and all Civil War pension legislation. I wanted to put my colleagues on notice that I was not doing that for the purpose of incurring the enmity of any man, but that I would make general objection to such legislation; that I expected to read the reports and to bring to the attention of the Senate all of the private pension bills.

I remembered the good that great President Grover Cleveland, one of the greatest Presidents the country ever had, rendered the country during his term. I must say that I was delighted last night when I read that a Republican President had had the justice in his heart and the firmness of mind to veto a pension bill passed by a Republican Congress. I want to commend him. I feel that there is yet hope for the oppressed taxpayer. That action on the part of the President ought to encourage some of us who are opposed on principle to these raids on the Treasury. We are going to have renewed hope and will enter into new activities hereafter along those lines. Therefore I do not want any Senator to think there is anything personal about it, because I am against the whole principle of private pension. This bill would have added around \$108,000,000 annually to the burden of the taxpayers and this would eventually amount to \$50,000,000. Of course, I was opposed to its original passage and will certainly vote to sustain the President's veto.

Mr. President, it will be of interest to the country to bring to the attention of the Senate the matter of pensions in detail. I have before me the report of the Commissioner of Pensions for the fiscal year ended June 30, 1922. It contains great information for the people of the country if they will but read it. On page 1 is contained a statement of comparisons of amounts paid out for the fiscal years 1921 and 1922, which I ask to have inserted in the RECORD at this point without reading.

The VICE PRESIDENT. Without objection, it is so ordered. The statement referred to is as follows:

Comparison of amounts paid out for the fiscal years 1921 and 1922.

For pensions during the fiscal year:	
1921	\$258,720,821
1922	253,807,583
For fees and expenses of examining surgeons:	
1921	389,687
1922	327,164
For field and special examinations:	
1921	86,269
1922	95,730

To pensioners in foreign countries:

1921	\$1,342,022
1922	1,319,231

Mr. DIAL. On page 2 of the same report is a tabulation entitled "Information of general interest," which I ask may be inserted in the RECORD without reading.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Information of general interest.

	1921	1922
Pensioners on the roll June 30:		
Civil War—		
Soldiers	218,775	193,881
Widows, etc.	281,327	272,194
War with Spain—		
Soldiers	31,066	45,955
Widows, etc.	8,216	9,198
Regular Establishment—		
Soldiers	13,832	13,081
Widows, etc.	4,081	4,002
World War—		
Soldiers	63	61
Widows, etc.	32	29
Indian wars—		
Soldiers	3,784	3,867
Widows, etc.	2,569	2,748
War with Mexico—		
Soldiers	109	73
Widows, etc.	2,135	1,878
War of 1812—		
Widows, etc.	64	49
By classes—		
Soldiers	267,629	256,828
Widows	290,955	282,965
Minors	2,163	2,165
Helpless children	919	927
Other dependents	4,285	4,100
Nurses	102	90
Total of all classes	566,053	547,016
Deaths of Civil War pensioners:		
Soldiers	24,775	25,082
Widows, etc.	19,451	21,259

Largest number of Civil War soldiers on the roll was in 1898. 745,822
Largest number of Civil War widows on the roll was in 1912. 304,373

Mr. POINDEXTER. Mr. President, can the Senator give us information as to how many Civil War pensioners are on the pension roll at the present time?

Mr. DIAL. At the present time, as set forth in Exhibit 13, on page 14 of the report to which I have referred, it is shown that there were 466,075 Civil War pensioners paid in 1922; 500,102 in 1921. I will ask that that table may also be inserted in the RECORD without reading.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Pensioners of the different wars on the roll at the close of each of the last five fiscal years.

	1922	1921	1920	1919	1918
Civil War	466,075	500,102	533,729	568,343	591,793
War with Spain	55,153	39,282	30,432	28,251	27,513
War of 1812	49	64	71	81	99
War with Mexico	1,951	2,244	2,571	2,956	3,353
Indian wars	6,615	6,353	6,228	5,463	4,238
Regular Establishment	17,013	17,913	19,031	19,218	19,843
World War	90	95	128	115	56
Total	547,016	566,053	592,190	624,427	646,895

Mr. DIAL. On page 16 of the same report appears Exhibit 16, being a comparative table of the value of an average pension of the different wars for the last five fiscal years, and on page 12 is Exhibit 10, showing the number of pensions granted by special acts of each Congress since March 4, 1861. I ask that these tables may be printed in the RECORD without reading.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Comparative table of the value of an average pension of the different wars for the last five fiscal years.

	1922	1921	1920	1919	1918
Civil War	\$480.06	\$477.74	\$358.77	\$373.39	\$287.95
War with Spain	178.92	164.34	142.01	137.28	138.30
War of 1812	355.59	356.63	232.73	218.57	213.31
War with Mexico	370.59	373.37	240.29	256.48	263.60
Indian wars	202.72	203.71	203.49	285.84	221.78
Regular Establishment	189.23	183.49	180.55	192.62	190.30
World War	238.81	238.62	227.63	233.53	223.07
Average for all wars	436.82	443.13	339.72	355.78	278.00

Number of pensions granted by special acts each Congress since March 4, 1861.

Thirty-seventh (1861-1863)	12
Thirty-eighth (1863-1865)	27
Thirty-ninth (1865-1867)	138
Fortieth (1867-1869)	275
Forty-first (1869-1871)	85
Forty-second (1871-1873)	167
Forty-third (1873-1875)	182
Forty-fourth (1875-1877)	98
Forty-fifth (1877-1879)	230
Forty-sixth (1879-1881)	96
Forty-seventh (1881-1883)	216
Forty-eighth (1883-1885)	598
Forty-ninth (1885-1887)	856
Fiftieth (1887-1889)	1,015
Fifty-first (1889-1891)	1,388
Fifty-second (1891-1893)	217
Fifty-third (1893-1895)	119
Fifty-fourth (1895-1897)	378
Fifty-fifth (1897-1899)	694
Fifty-sixth (1899-1901)	1,391
Fifty-seventh (1901-1903)	2,171
Fifty-eighth (1903-1905)	3,355
Fifty-ninth (1905-1907)	6,030
Sixtieth (1907-1909)	6,600
Sixty-first (1909-1911)	9,649
Sixty-second (1911-1913)	8,350
Sixty-third (1913-1915)	5,061
Sixty-fourth (1915-1917)	5,885
Sixty-fifth (1917-1919)	3,641
Sixty-sixth (1919-1921)	2,200
Sixty-seventh (1921-June 30, 1922)	1
Total	59,125

Mr. DIAL. The last table, Exhibit 10, shows the number of pensions granted by special acts of Congress since March 4, 1861. To my mind it is a great evil and ought to be stopped. Anyone who is not eligible to a pension under the general law ought not to be able to come in and get it by special act of Congress. For instance, in the Forty-sixth Congress there were only 96 pensions granted by special act, and yet in the Sixty-fourth Congress there were 5,885 pensions granted by special act. I am glad to say that in the Sixty-seventh Congress there was but one pension granted. That is refreshing, if it might be continued. I want to commend that kind of procedure. I hope there will not be any more private Civil War pensions granted.

Mr. President, coming from the South as I do, perhaps it is not in the best taste in the world to speak about this matter, but the war has long since been over. The people of my section thought they were right in their action at that time and I have never doubted it. The fact is, the older I get the more I agree with them that they were right and advocated the right principle. This country, however, is one country. The Government has needed help at different times and our section has responded nobly. I remember that in Union, the adjoining county to that in which I live, they did not conscript a single soldier during the last war. Every man required volunteered before the time came for conscription. We bought bonds. We paid taxes. We fought in the war. We have done our part.

I think it is time to quit persecuting one section of the country by levying this tribute in the name of a pension. All one has to do is label a bill "pension," and it seems to become hallowed. We seem to have been pensioning people whether they were in battle or not, irrespective of their means, whether they were wounded, or anything of the kind. Anybody who can establish a relationship to a man who was in the war seems to be wanting a pension. They have gone wild in the granting of monthly pensions of from \$50 to \$72.

I am glad the President vetoed the bill. I commend and congratulate him for his action. I think there is hope for the taxpayer. I see signs of equilibrium returning in the Senate, and I am glad it is returning in the early part of the year so we can all make good resolutions and try to live up to them.

We ought to watch the Treasury more closely. I see before me, honoring me with his attention, my good friend the senior Senator from Utah [Mr. Smoot]. I am glad to have his assistance in these matters, or, rather, I should say, I am glad to render him all the assistance within my power. We are going to establish a militant bloc—I believe that is what they call it when they get ready to fight—here in the Senate, irrespective of party, and we are going to see that the people are treated better. I do not believe that the honest people, the fair-minded people, of the United States in any State or any section favor this great increase of pensions and favor the principle of primogeniture in extending pensions. Notwithstanding a few of the States receive a tremendous amount, yet I do not believe that the working people of those States, the people who labor and the people who create things, the people who pay taxes, and the people who amount to something, favor any such unjust procedure as was proposed in this pension legislation.

Mr. President, I merely wanted to express my hope that in the future, as in the past, this will be a great country, this will

be a great body, and this will be a great Government, and that we will legislate in the interest of all the people and not in favor of a class.

Mr. NICHOLSON. Mr. President, will the Senator from South Carolina yield to me?

Mr. DIAL. I yield to the Senator with pleasure.

Mr. NICHOLSON. I note that the Senator referred to "people who amount to something." Does the Senator mean by that the bankers of the country?

Mr. DIAL. Yes; some bankers. I have no ill will against a man who has something. If he acquired it in the proper way, he is to be commended. I have not much respect for a man who does not try to acquire something; neither have I any love for the man who oppresses; but I want everyone to try to better his condition, whether it is through the exercise of his muscle or his brain or the use of his means.

Mr. NICHOLSON. Will the Senator from South Carolina yield to me for another question?

Mr. DIAL. With pleasure.

Mr. NICHOLSON. Does the Senator from South Carolina himself belong to the banker class?

Mr. DIAL. I am one of the people.

Mr. NICHOLSON. But that does not answer my question. Is the Senator a banker?

Mr. DIAL. I am one of the people who take an interest in this Government. I am one who tries to better his condition and the condition of mankind. I spend my time along that line.

Mr. NICHOLSON. That is, the Senator spends his time by taking the other man's money and loaning it back to him at interest?

Mr. DIAL. No; I have, perhaps, paid more interest than has any other man of my means and my undertakings in my section of the State of South Carolina; but I am glad to say that my paper is good at any bank where I present it. I endeavor to help the one who tries to help himself. This is as great work as one could perform.

Mr. President, in all seriousness, times are getting better, and I wish to make the statement for the benefit of the people that they need not lose hope. I am interested in various enterprises—manufacturing, farming, developing water powers, and various activities which add to the wealth of the country and which give employment to the people. I try to better the condition of mankind to the utmost extent of my means and my influence.

INTERIOR DEPARTMENT APPROPRIATIONS.

Mr. SMOOT. From the Committee on Appropriations I report back favorably with amendments the bill (H. R. 13539) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1924, and for other purposes, and I submit a report (No. 988) thereon, which will be printed under the rule.

I desire to give notice that to-morrow morning, as soon after the Senate convenes as possible, I shall ask that the bill be taken up for consideration.

The VICE PRESIDENT. The bill will be placed on the calendar.

REPORT OF ALIEN PROPERTY CUSTODIAN (H. DOC. NO. 525).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and ordered to be printed and to lie on the table:

To the Congress of the United States:

In accordance with the requirements of section 6 of the trading with the enemy act, I transmit herewith for the information of the Congress a communication from the Alien Property Custodian, submitting his annual report of the proceedings had under the trading with the enemy act for the year ended December 31, 1922.

WARREN G. HARDING.

THE WHITE HOUSE, January 4, 1923.

[NOTE.—Report accompanied similar message to the House of Representatives.]

CONSTRUCTION OF RURAL POST ROADS IN COOPERATION WITH STATES.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture, transmitting, pursuant to law, a report concerning the appropriations for the construction of rural post roads in cooperation with the States, the Federal administration of this work, and the survey, construction, and maintenance of roads and trails within or only partly within the national forests, for the fiscal year ended June 30, 1922, which was referred to the Committee on Post Offices and Post Roads.

TRANSACTIONS OF EMERGENCY FLEET CORPORATION.

Mr. KING. Mr. President, on December 30 last I offered a resolution which is now lying upon the table. I exhibited it to the chairman of the Committee on Commerce, the Senator from Washington [Mr. JONES], this morning, and he said that much of the information asked for by the resolution had been supplied by the Shipping Board in various documents; that it was somewhat disconnected, but could be easily assembled by the Shipping Board. Some of the information, however, has not, in my opinion, been submitted in any form. My resolution asks for certain information; and, as I understand the Senator from Washington has no objection to the resolution, I ask unanimous consent for its present consideration.

Mr. CURTIS. Let the resolution be read, in order that we may see for what information it asks.

The VICE PRESIDENT. The resolution, consideration of which is asked by the junior Senator from Utah, will be read.

The Assistant Secretary read the resolution (S. Res. 388), which had been submitted by Mr. KING December 30, 1922, as follows:

Resolved, That the Shipping Board is hereby directed to report to the Senate the names of all officers and employees of the Emergency Fleet Corporation, together with a statement of the salary or compensation which is paid to each of them; a list of all persons who have received passes or gratuitous transportation on vessels operated by or for the account of the Emergency Fleet Corporation, with particulars as to the voyages made by such persons and the relations such persons have to the Shipping Board or to any of its officers or employees, together with a statement of the regular passage fares which would have been charged for such voyages; a statement of all charter parties, general or special, entered into for or on behalf of the Emergency Fleet Corporation or the Shipping Board since January 1, 1920, with particulars as to the vessels covered by such charter parties, the voyages made, cargo tons carried inbound and outbound, the amount of revenues received and the expense accounts allowed, together with a statement of all allowances for entertainments and the cost of any intoxicating liquors, and of all amounts of money paid under such charter parties, and to whom paid; a statement of all moneys which had been paid at any time for advertising, publicity, or propaganda; and a statement containing a complete list of all the vessels at any time owned or controlled by the Emergency Fleet Corporation, the gross tonnage of every such vessel, the date of acquisition of every such vessel, the parties from whom such vessels were acquired, whether by contract for construction, requisition, or seizure, the amount of money paid for every such vessel, the amount of money spent upon every such vessel since acquisition, the disposition of every such vessel, and if sold or transferred, the amount of money received by the Shipping Board for such vessel, and a statement of the present status of every such vessel, giving its location and the use or service, if any, to which such vessel is subjected.

Mr. SMOOT. Mr. President, I desire to ask my colleague if it would not be better to eliminate from the resolution requests for information which is at this time in the possession of Congress? If the resolution shall not be framed in that manner, the information will again have to be printed, with all the expense incident to such printing; and that, in my opinion, will be unnecessary. There is no objection on my part to obtaining all of the information asked for by the resolution, but a great portion of it, and the portion which it will be costly to print, is already in our possession. I therefore thought perhaps my colleague could take the matter up with the Senator from Washington and eliminate that part of the resolution requesting information which we already have; and we might then adopt the resolution in such form as to call for the additional information, which it would not cost very much to print. There is, however, document after document which has already been printed in full in answer to some of the requests which are contained in the resolution.

Mr. KING. Mr. President, I am quite as anxious as is my colleague to avoid incurring any expense on the part of the Shipping Board or on the part of the Government. The only information that I feel sure is available—and I am not sure that that is absolutely accurate and complete—is that which relates to the number of ships which have been acquired and the number and tonnage of the ships which are now on hand. I am inclined to think that perhaps that information, or at least the latter part of it, as to the number of ships now on hand and the tonnage of each vessel, is not only available but has been published. So, if the chairman of the Committee on Commerce will assure me that that is a fact, I shall be perfectly willing to eliminate the request for that information from the resolution.

Mr. JONES of Washington. Mr. President, it struck me as I listened to the Senator from Texas [Mr. SHEPPARD] that the Senator from Texas had compiled very much of the information for which the junior Senator from Utah asks in the resolution. I remember distinctly that the Senator from Texas specified the number of ships, the cost of the ships, the ships that were sold, how much they were sold for, and all that sort of thing. I think that there is contained in the speech of the Senator from Texas a great deal of the information for which

the resolution of the junior Senator from Utah calls. As the senior Senator from Utah [Mr. SMOOT] has stated, I think much of this information has already been printed; but, as the junior Senator from Utah suggested a while ago, it is in different volumes, in different publications, and so on, and he would like to have it a compact document. I have no objection to the resolution, though it calls for much information that is already available. I will admit, however, that the information is scattered.

Mr. KING. Let me say to my colleague and to the chairman of the committee that when the resolution shall have been answered, if it shall be adopted, before any request is made by me to have it printed—and I do not know that such a request will be made; I do not anticipate having it printed at all; I want the information to aid me in submitting some remarks which I intend to offer upon the bill—but before it is printed, if any demand to that effect shall be made, I am entirely willing to go over it with the chairman of the committee and to strike out from any print the information which has already been printed.

Mr. SMOOT. Mr. President, I hardly think that would be the proper way to proceed, because whenever a report is submitted it ought to be printed in full, and there is no right, I think, on the part of a committee to omit any portion of it and print only the remainder. All reports printed by the order of Congress are given numbers, just as every public document is given a number, and when such reports are submitted the department in which they are prepared adopts the number of the report which is given to it here when it is published as a public document. I think it would be rather confusing to have any portion of a report eliminated; but I have no objection, if the Senator wants to have the resolution adopted as it is, to that course being followed, and then, if in the Senator's opinion it shall really be necessary to have it printed, I will not have any objection to it being printed. The only object I had was to save expense that I thought was really unnecessary and could be avoided.

Mr. KING. Mr. President, I do not complain at all at the position of my colleague; indeed, I quite approve of his interest in avoiding incurring obligations to a greater extent than is absolutely necessary. I do not quite agree with his view, though, that when information is submitted by any department and we order a part of the report printed, we must print it all. I think that is truly within the discretion of the Senate. If they find that any portion of the report should be printed, then they may order that portion printed, and the residue may be left upon the table or with the Secretary.

Mr. SMOOT. I did not say the Senate could not order that done, but I do not think that a committee could do so.

Mr. KING. I agree with the Senator.

Mr. SMOOT. I said the committee, and not the Senate.

Mr. KING. I think the Senator is right. Mr. President, I ask for the adoption of the resolution.

The VICE PRESIDENT. Is there objection to the consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

ORDER FOR RECESS.

Mr. JONES of Washington. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 11 o'clock to-morrow morning. As I understand, there is an appropriation bill ready for consideration which is likely to occupy considerable time.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington?

Mr. FLETCHER. Mr. President, I think we had better make the hour 12 o'clock. A recess will dispense with the morning hour.

Mr. JONES of Washington. As I understand, no Senator is ready to go on this afternoon, and we are going to quit early. I do not think the Senator from Florida ought to object to the request. The appropriation will be pending and we would like to get that through.

Mr. FLETCHER. I am not making the suggestion merely because I want further time, but I know that the Committee on Banking and Currency, for instance, is to meet to-morrow at 10 o'clock, as they have been meeting every day recently at 10 o'clock, in the effort to report out a rural-credits measure.

Mr. JONES of Washington. I wish to suggest to the Senator that I have been attending meetings of the Appropriations Committee both morning and afternoon to-day. We could get a quorum in the Senate in the morning and begin the consideration of the appropriation bill. There will be many Senators who probably will not care to be present when the appropriation bill is being considered; so that I think the committees

will be able to proceed with their business. The Appropriations Committee will also meet in the morning.

Mr. FLETCHER. I should like to view the situation in that light, but there is this to be said about it, that if we have got to be here we can not be at work in the committee. I know there will be necessary only a few more days of work on the part of the Committee on Banking and Currency. I am quite sure that committee is about finishing up its labors, and I do not believe there will be much more time required by it. I know, however, that the meeting to be held by the committee to-morrow will be a very important one, and I should dislike to be away from the session of the committee.

Mr. JONES of Washington. If we meet at 11 o'clock that will give the committee an hour, and I doubt if there are very many members of that committee who will particularly care to be here while the appropriation bill is being considered. I hope the Senator will let us begin with the appropriation bill at 11 o'clock to-morrow.

Mr. FLETCHER. I wish very much the Senator would make that 12 o'clock. We are proceeding rapidly here. We are disposing of legislation fast. It will be only a little time before these appropriation bills will be passed, and I know that it is important that certain work go on that is being attended to by the committees. I do not believe we will save any time by meeting here at 11 o'clock, and I know that it will hamper that work. It is impossible to attend to it. I speak rather feelingly on the subject because I know the importance of this meeting of the Banking and Currency Committee at 10 o'clock to-morrow. We scarcely ever can be on hand at the minute. It may be 10 or 15 minutes after 10 o'clock before we get started, and if then we have to be here by 11 o'clock we might as well not have any meeting of the committee at all.

Mr. JONES of Washington. Does the Senator think the Committee on Banking and Currency will pretty well conclude its important work to-morrow morning?

Mr. FLETCHER. I think so. I think to-morrow morning is the important session.

Mr. JONES of Washington. Then, on that statement, I will change my request to a request for a recess until 12 o'clock to-morrow.

Mr. FLETCHER. I have no objection to that. I could go on this afternoon, of course, but I would not much more than make a start.

Mr. JONES of Washington. I do not suppose we would gain anything by forcing the Senator to go on this afternoon. It is desired that we have a brief executive session.

The VICE PRESIDENT. Without objection, it is ordered that when the Senate concludes its session to-day it shall take a recess until 12 o'clock to-morrow.

INTOXICATING BEVERAGES.

Mr. SPENCER. Mr. President, I introduced this morning a bill to provide for a commission in connection with the eighteenth amendment to the Constitution, to determine scientifically the per cent of alcohol in a beverage which renders that beverage intoxicating. Concerning that bill I wish to make a few remarks at this time.

I ask unanimous consent that the bill which I introduced this morning may be incorporated in the Record at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 4263) to create a commission of investigation in connection with the eighteenth amendment to the Constitution of the United States is as follows:

Be it enacted, etc., That the President is hereby authorized to appoint a commission of seven persons, of whom at least two shall be women, who in his judgment are qualified to investigate and determine as far as possible what alcoholic content in a beverage, under a fair and reasonable interpretation, makes the beverage intoxicating.

SEC. 2. That members of the commission shall each be paid a compensation of \$750 a month. The expenses of the commission for such accommodation and equipment and clerical, expert, and stenographic assistance as they may feel necessary shall be paid for out of the moneys herein appropriated on the certification of the chairman or acting chairman that the same are necessary, and that such amount paid is fair and reasonable, and that the services for which compensation has been paid or materials for which payments have been made have been actually furnished.

SEC. 3. The commission is hereby given power to summon witnesses and to secure information and to conduct experiments and to administer oaths by any member of the commission as may enable it to report its findings as soon as possible under the terms of this act.

SEC. 4. The Federal courts of the United States are hereby directed to enforce such subpoena or subpoena duces tecum, or such other order or information as the commission may under this act properly issue, and to punish as for contempt of court any failure of any person to respond to such orders of the commission, and any person testifying falsely or giving false information shall be guilty of and punished for the same offense as if such act had been committed in the trial of a case before the Federal court.

SEC. 5. The commission shall be under the supervision of the Secretary of Agriculture, who shall give such assistance from the Department of Agriculture as he may be able to furnish, and he himself shall be ex officio member of the commission in addition to the seven members herein provided.

SEC. 6. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$100,000 to carry out the purpose of this act.

Mr. SPENCER. Mr. President, the proposed legislation to scientifically determine what per cent of alcohol makes a beverage intoxicating is intended to be a step in the enforcement of the eighteenth amendment, and to solidify the ranks of those who believe in its enforcement. An increasing number of Americans who do believe in the enforcement of the eighteenth amendment to the Constitution of the United States, as they believe in the enforcement of all other provisions of law in this country—and in loyalty to our country and confidence in her future there is no other course to follow—are cooperating and voting with those who do not believe in the enforcement of the eighteenth amendment, and who are striving in every way to weaken its power and to increase disrespect for it and disobedience of its provisions.

This unfortunate and unnatural alliance is occasioned by the belief in the minds of many that the so-called Volstead law—which is the bill passed by Congress to enforce the eighteenth amendment—is unnecessarily restrictive of personal liberty, and interferes in an unwarranted degree with the rights of the individual. Wherever this belief is well founded the law ought to be changed, for it is fundamental in our Government that laws—all of which must be enforced and obeyed—ought to be enforced with as little interference with the liberties of citizens as possible.

Restrictive provisions should be the minimum necessary to secure the law's full enforcement, and not the maximum. The wise policy is not to regulate the habits or actions of individuals more than is necessary to accomplish the full enforcement of existing law.

Just in proportion as unnecessary regulation is insisted upon there is encouraged a spirit of discontent and resentment which tends to lawlessness.

If the eighteenth amendment would be better enforced with less restriction than is provided in the Volstead law, then by all means the restrictive features ought to be changed. If it is not necessary to prohibit any beverage which has more than one-half of 1 per cent of alcohol in order to enforce the prohibition against all intoxicating liquors, then it is most unwise to insist upon such an arbitrary and unnecessarily small per cent of alcohol.

Chemists tell me that there is very often more than one-half of 1 per cent of alcohol in buttermilk, and no one will seriously contend that buttermilk is intoxicating. The purpose of the proposed bill is to determine in a fair and scientific manner, as far as human investigation can determine the question, what amount of alcohol does, in fact, make a beverage intoxicating. It is information which ought to be available.

Obviously, an investigation conducted by those whose inclinations are strongly wet, or an investigation conducted by those whose inclinations are strongly dry, can not create the same confidence in the result of the investigation as would follow an impartial, scientific, governmental inquiry into the matter. I can see nothing but good from such an investigation, nor can I see any substantial reason why there should be any opposition to such a measure. It will tend to satisfy the discontent of tens of thousands who believe that the present enforcement law was enacted with unwarranted restrictions, and whose dissatisfaction would vanish, or at least substantially lessen, if they were satisfied that the law of the land was not more restrictive than of necessity it had to be in order to enforce the eighteenth amendment.

No intoxicating beverages can be lawfully made or sold or transported under the provisions of that amendment. This is the fixed law of the land. Those who wish the return of intoxicating beverages into American life, whether with or without the saloon, must recognize the existence of this constitutional prohibition which stands immovably in the way. There will be no change in its provisions. It is not only engrafted into the fundamental law of the land, but it is in entire conformity with the judgment and desire of an overwhelming majority of the American people. In a large number of States there are provisions of State law which are fully as restrictive and in many cases more restrictive than the so-called Volstead law. This is not unusual in our dual form of government. So far as the Federal Government is concerned, considering as it does the country as a whole, and recognizing the sentiment in Massachusetts, New Jersey, and New York, as well as in Missouri, Kansas, California, Maine, and Florida, it should enact only such general Federal legis-

lation as will without doubt enforce the provisions of the eighteenth amendment, but with as little restriction upon the rights and actions and habits of the people as is possible.

This is the only safe foundation for the Federal law, and it leaves the way entirely open to separate States to make their own law, which may be more strict if they so desire, but can not be less strict.

The Federal law should be the minimum of necessary restriction. No State can require less than the Federal law provides. No State can open the door any wider than is permissible under Federal legislation, but every State under the provisions of the Constitution may make its enforcement law more strict, if it so desires, than the Federal law, in order to meet the conditions of its own locality and the wishes of its own people. From whatever standpoint the question is viewed, the great outstanding fact before the American people is this—that the eighteenth amendment to the Constitution is here, and here to stay, and that its full enforcement is an absolute necessity not only because of itself but because of that general respect for law and obedience to its provisions which is the corner stone of the Republic.

Lawlessness along any single line breeds with malignant germ lawlessness along many another line; and when once a people come to believe that they can with impunity defy an existing law the first great step has been taken toward universal anarchy and lawlessness.

The proposed bill is but a single step. It may well be improved as other minds come to consider it. It is in no sense the final word, but it will in some degree, in my judgment, tend to lessen the general discontent and strengthen the legitimate enforcement of the eighteenth amendment.

ADDRESS BY NORMAN H. DAVIS.

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Record, in 8-point type, an address delivered by Hon. Norman H. Davis, former Undersecretary of State, before the Democratic Women's Luncheon Club, of Philadelphia, on the fundamental differences between the Democratic and the Republican Parties.

The VICE PRESIDENT. Without objection, it is so ordered. The address is as follows:

FUNDAMENTAL DIFFERENCES BETWEEN THE DEMOCRATIC AND THE REPUBLICAN PARTIES.

[Address delivered by Hon. Norman H. Davis before the Democratic Women's Luncheon Club, Philadelphia.]

The welfare of this Nation is in the keeping of its citizens, in whom all sovereignty rests. Our moral and material progress depends upon the wise exercise by the people of their sovereign powers, and that must, in the last analysis, be governed by the character, intelligence, and sense of duty with which the people approach the problems that are constantly demanding solution. We can not have a government of the people, by the people, and for the people if the majority of the people step aside and let an active minority, with some special interest to serve, elect their representatives and direct the destinies of the Nation. There has been a dangerous and growing tendency on the part of eligible voters to hold aloof and take no interest whatever in public questions. In the last presidential election only about half of those entitled to vote went to the polls. This is no doubt due in part to a lack of interest and sense of public duty, and also to a failure to distinguish any marked difference between the contending political parties. There is, however, a most gratifying indication that the women desire to get an intelligent grasp of public questions and to fulfill their duties of citizenship, but it is not always easy to get at facts and at the truth. This requires thought, and also freedom from prejudices which obstruct thought and obscure the truth. Therein lie the chief obstacles, because as a rule we do hate to think and we do cherish our prejudices. Nevertheless, if we are to progress as a people and enjoy the benefits of a highly developed democracy, we must have a sincere desire for truth and a constant sense of obligation to discharge with courage our responsibility as citizens.

Political parties perform a necessary function in our governmental system. They offer the only practicable means by which the will of the people can be expressed and enforced. It is therefore important to align ourselves with the party which more nearly represents the principles and policies in which we believe and to support and encourage it in the advancement of those principles. Every year vast multitudes of new voters are called upon to determine what their party affiliation shall be, and that is not always easy, because the party platforms more often confuse than aid them in making a choice. At times it is very difficult for a conscientious person to look above the struggle of parties and the contests between their

respective candidates and see what each party stands for and what may be the essential differences between them. As a result many in disgust give up attempts to fathom political complexities and then either lose interest in public questions or allow social pressure or inherited prejudices rather than conviction to determine their party loyalty.

The original purpose of party platforms—a custom instituted by Andrew Jackson—was to inform the voters what specific principles and policies the party advocated. As some one has very aptly stated, "Platforms are now made to run on but not to stand on." The party platform is now often drafted with a view of reconciling conflicting views and preventing a split within the party, and is filled with platitudes which it is hoped will at least not alienate votes. This occurs when there is not an outstanding issue or when there is not a unity of view within the party on important issues, and when those holding conflicting views are willing to subordinate them to party success. A typical instance was the Republican platform of 1920. That was a great feat. It enabled those who were unalterably opposed to our entrance into the League of Nations to work for the election of the Republican ticket with those who were ardent advocates of our entrance into the league. It enabled Mr. Harding to hold the antileaguers in one hand, the pro-leaguers in the other, and to lead them all with a smile right on to the White House. Some of those who strongly favored our entrance into the league became skeptical and required some reassurance. They could not get it from the platform or from the candidate, but at this juncture 31 prominent Republicans came to the rescue. They not only professed their profound faith in the league and the conviction that we should and must enter it, but assumed the solemn moral responsibility of speaking for Mr. Harding and of assuring the American people in an open letter that his election would insure our taking the course which they, with such wisdom, advocated. Mr. Harding was elected, but we have not entered the league nor has the President made any apparent attempt to enter or to form another association of nations, about which he made several allusions. Obviously, these 31 gentlemen were misled and others were misled by them.

The last Republican platform, for the first time in over a generation, gave no indication of any intention to impose a higher protective tariff and it did not declare in favor of ship subsidies. Nevertheless the Republican Party has already built for us the highest tariff wall known in history and a special session of Congress is to be called, so we are told, for the purpose of putting through a proposed bill which provides for the sale of the Government ships and the subsequent payment in subsidies to the purchasers of about four times as much as they will pay for the ships.

I merely cite these facts as an instance of how dangerous it may be to rely alone upon a platform or upon representations of a faction within a party. The question which naturally arises is how can one best secure facts and information which will enable him to determine his party affiliations? The only satisfactory way is to study the history of the parties; the conditions and issues which brought them into existence, the ideals, principles, and interests which have influenced their actions in the past; and the sympathies, tendencies, and influences which at present seem to dominate them. Only thus can we hope to fathom how a party will react to a particular problem and attempt to solve it.

Political parties originate through the association of a large number of people having deep convictions and similar views on some particular questions which at the time may be considered vital issues. The life of a party depends to a great extent upon the life and importance of the issues which may have brought it into existence, or, in case those issues become obsolete, upon the position it takes on other issues which may develop.

The Democratic Party, which was founded by Thomas Jefferson, is the oldest political party in existence. Although some of the moral and legal precepts and main theories of government, the application of which served as the motive power in its formation, have become universally accepted by all parties and are no longer issues in controversy, the Democratic Party has continued its long existence by advocating with few exceptions the application to new or changing problems of the same fundamental principles to which its founders and leaders have held. Now that the theories of democratic government and human relationships which Jefferson advocated have been accepted, it is rather difficult to understand why, just a century and a quarter ago, there should have been such marked differences of opinion and bitter controversies over their acceptance and application.

Since the formation of our Government there have been certain well-defined periods—including the present one—in our political, social, and economic affairs which have created a new set of problems, and in practically every instance the Democratic Party has led the way in advocating the measures in which solutions have been found. This party had its origin during the first of these periods, when it led in the great movement to revive the spirit and ideals of the American Revolution. After the Revolution there was a decline in the ideals for which our forefathers had fought and during the period of the Confederation there was a considerable social ferment which showed a tendency on the part of many to think that liberty meant license. As a result, the majority of those who drafted the Constitution were reluctant or afraid to apply the theories embodied in the Declaration of Independence. Our historical records show that some of our very greatest patriots who were instrumental in drafting the Constitution were frankly outspoken in their fear of or objection to a government by the people. This was to be the first great experiment in constitutional democracy, and it was most natural that there should have been considerable doubt on the part of conservative thinkers as to the wisdom of giving the people too much control in the Government. The Constitution was therefore very carefully drawn up with a view of establishing a carefully concentrated rather than a vaguely dispersed responsibility, which makes it all the more important that those who are to have such responsibility shall be guided by sound principles. The people were permitted to vote only for Representatives in the Lower House of Congress, and it was never intended that they should elect the President or Senators by direct vote.

The first great conflict between those who believed in a representative democracy and those who believed more in an aristocracy came over the adoption of the Constitution. In this fight Thomas Jefferson and his associates forced the adoption of the Bill of Rights as a part of the Constitution, which was subsequently embodied in the first 10 amendments, and defined the fundamental principles of Democracy.

Those who composed the Federalist Party were opposed to most of the theories and principles embodied in the Declaration of Independence. They not only believed that the aristocrats should run the Government but also that they should do so primarily for the benefit of their class; that only property holders could vote and only those with considerable property could hold public office. Thomas Jefferson, who wrote that immortal document, had very deep convictions to the contrary. The Democratic Party therefore came into existence and into power as a result of the controversy over the application of these principles. The party founded by Jefferson was at first called Democratic-Republican, but subsequently Democratic. The Democratic-Republicans were first called Democrats by the Federalists as an opprobrium to those who could advocate such radical and progressive theories. In his first inaugural address Jefferson defined the issues then in controversy, the principles of Democracy, and the theories of Government which he advocated. While Jefferson could not under the then prevailing conditions give full application to all of these theories, he made much progress in doing so and left an indelible impression on future political thought and molded to an incredible extent the form and character of our Government.

Although Jefferson and his chief party associates were men of high birth and cultivation, they believed that the Government should be conducted for the benefit of the masses and that the people should be given more voice in it. Jefferson established the rule that presidential electors should register the will of the people. He was opposed to slavery, but public opinion was then indifferent to it.

The Democrats believed that a strong government must be built from the foundations up. They therefore advocated the greatest degree of local self-government, State rights, and the extension of free public education, realizing that since sovereignty should rest in the people the people must be educated in order to exercise their power wisely.

The Jeffersonian Democrats were in control of the Government for 25 years. They accomplished much toward applying their theories, but in the course of time there developed a tendency toward Government bureaucracy and the people were not given as much voice in government as they were beginning to demand. With the opening up of the West and its rapid development and expanding spirit of freedom a new and powerful impetus was given to Democracy. A strong demand came from the West for a more extensive application of the Democratic principles, local self-government, and education. In the East the small farmers and laborers began to demand their rights. It was a period of "Democratic ferment" and likewise our greatest period of literature. It witnessed the first labor

movement in this country, the principal demands of which were that hours of labor should be reduced from 12 to 10 hours, that children from 6 to 16 years of age should not be permitted to work in factories, and that public schools should be established for their education.

Andrew Jackson, who was a typical product of this new Democratic spirit, was elected President in 1832. It is only now that we are beginning to get histories which are sufficiently devoid of prejudice to give a correct account of the great social and political movement headed by Jackson. The franchise was extended and thereafter based on "manhood" rather than on "property." Andrew Jackson's greatest contribution was to make our Government responsive to the will of the people and to strengthen the principles of national unity. He was a strong advocate of local self-government and State rights, but he was opposed to an abuse of the principle of State rights. As it has been aptly said, Jefferson established a Government of the people and for the people and Jackson completed the process by making it a Government of the people, for the people, and by the people.

After the death of Jackson party spirit became weakened. The welfare of the Nation as a whole became subordinated to sectional issues, involving a divergence of opinion and of interest regarding slavery and the tariff, which caused a rift in political alignments. For a long time there had been a conflict of interest between the agricultural and manufacturing districts of the country over the tariff, but political parties had not been divided over it. However, the tariff and State rights became indirectly involved in the controversy which arose over the extension of slavery to the new States. Some students now hold that these questions could have been settled without war had there not been a weakening in party spirit. Others think that party lines were probably weakened because of the apparent differences in material interest.

Slavery finally became a moral issue, and the Republican Party was organized in 1854 by those who were opposed to the extension of slavery. Tariff protection did not, however, then become a political issue, as is generally supposed; nor did it become the principal tenet of the Republican Party until 1872.

Abraham Lincoln and certain other practical statesmen who later gave their support to the Republican Party were actuated by high ideals. Strange as it may now seem, the so-called vested interests in the East were bitterly opposed to this new party, which they considered most radical and revolutionary. Since the principal issue upon which the Republican Party had been formed was slavery, the party was without an issue for some years after the abolition of slavery and stood only on its war record until 1872, when it declared for a protective tariff.

After the war there began an unprecedented development in industries and railroads. Those who led in this development gradually became more attached to the Republican Party and finally supported it in exchange for its paternalistic aid to them through the tariff and other legislation. As the reaction and passions resulting from the Civil War subsided public opinion became aroused at the injustices and blunders which were committed during the reconstruction period and demanded a Government which would act for the good of the Nation as a whole.

Discontent at the abuse of those in power increased, and in 1884 Grover Cleveland was nominated by the Democratic Party and elected President on a platform which demanded the establishment of an extensive civil service, reforms in governmental administration, and radical financial reforms. Cleveland did much to extend the civil service and to eradicate the barriers of sectionalism which had been left by the war. In keeping with the principles of the Democratic Party, which had always been opposed to legislative measures passed for the benefit of certain classes at the expense of others, he opposed the protective tariff, but was unable to get very important reductions in the tariff rates.

The injustices of the tariff, the abuses in the industrial field, and the ill effects of the unsound and unscientific banking and currency system which had been adopted after the Civil War were becoming very burdensome. Before sufficient constructive measures could be adopted to alleviate the situation, hard times and discontent among the agricultural interests developed in the Middle West, and the farmers joined in a movement which brought into existence the Populist Party. Failing to diagnose the basic cause of the troubles, relief was sought through a change in the monetary standard, and in the campaign of 1896 this became the political issue. In this campaign many Democrats supported McKinley. This monetary question was finally taken out of the realm of politics.

With the beginning of this century a new spirit, with a new type of statesmanship, was born. During the latter part of

McKinley's administration a divergence of views within the Republican Party began to develop. Public hostility to the power or abuses of large business combinations and to the subservience of the Government to selfish interests increased until there was a split within the Republican Party between the Progressives, headed by Theodore Roosevelt, and the so-called standpatners. The Progressives rendered a great service in pointing out the necessity for reform, but they were unable to secure and retain control of the party, and the independent voters began to look to the Democratic Party to lead in the reforms which public opinion demanded.

Woodrow Wilson was elected President in 1912 upon a platform which promised to revise the tariff downward, to establish a sound banking and currency system under the supervision and control of the Government, and other measures which would set the industrial and economic forces free. Through the lowering of the tariff, further extension of the civil-service system, improvement in industrial relations, and the organization of a complete and constructive banking and currency system, practically all of the campaign pledges were redeemed during the first two years preceding the outbreak of the World War. There has not been another such period of constructive legislation.

Both political parties had been in favor of a bank of issue, with a new system of currency, but had different views of how it should be established. The Republicans favored one central bank of issue, to be owned and controlled by private interests, with branches in other parts of the country. The Democrats held that an institution with such power should be controlled by the Government and operated in conjunction with the banking interests. They also favored a decentralized system, in order that each economic section of the country should have its own bank of issue, which banks should form part of one general system, with a board of supervision in Washington. There was at the time considerable opposition to the plan which was adopted, but its subsequent success destroyed all criticism and it is now pronounced by the foremost financial students of the world as the most perfect and constructive financial system which has yet been devised. We little knew at the time when this constructive financial measure was taken how very imperative it was, because, had it not been for our Federal reserve system, we should not have been able to stand as we did the strains of the World War in which we were soon to be involved.

During the century and a half in which the people of the United States have been working out their destiny under a constitutional democracy the Democratic Party has, with the exception of the Civil War period, taken the lead in every important political, social, and industrial reform and development and contiguous territorial expansion. When the World War came inequalities and injustices still existed within this Nation in the economic field because of discrimination through the tariff, but equal political and civil rights had been to a great extent secured to individuals and we had learned to settle our domestic controversies by peaceful processes. The war gave us an entirely new set of problems, as to which it took considerable time to crystallize public opinion. Just as those seeking material advantages for themselves have caused conflicts within a nation by disregarding and abusing the rights and interests of others, so had nations, actuated by similar selfish ambitions, disregarded the rights of other nations and brought on the World War. As the war progressed it became more apparent that the ground gained through the long struggle for individual freedom was endangered and could not be held unless the freedom of nations was safeguarded.

In America we had been leading what we thought to be an isolated existence, free from any foreign entanglements. Developments soon showed us that we were inextricably and unalterably entangled. We had not been able to grasp the significance of this great scientific and industrial age in which time and space had been practically eliminated by the improvements in communication and transportation, and how interdependent politically and economically had become world affairs. The derangement brought about by the war shocked us into thought and action. To those who gave much consideration to the problems which arose it became evident that the conflict had been caused by blind, selfish, aggressive national policies, based upon false moral and economic theories, which ignored the rights and interests of others and the welfare of the world as a whole. Since the world had become an economic unit, it became obvious that it must become a political unit, at least to the extent of applying a common international code of laws and morals which would give stability, insure justice, and keep open the channels of trade and commerce.

In the beginning of our struggle for national freedom and self-government the founder of the Democratic Party, Thomas Jefferson, wrote the declaration of the rights of man, which

defined the aspirations of our forefathers and which served as an inspiration to them in their struggle for independence and subsequently as the foundation for this Government. It now became obvious that these same principles upon which individual liberty was based and the same rules of conduct which had been worked out for individuals within a nation should be accepted and applied by the nations in their relations with one another.

Gradually the fact was borne in upon us that as a consequence of the economic and political transformation within the last half century our national freedom and material welfare could be jeopardized by conflicts between other nations, brought on by conditions not of our making and practices alien to us. It was then that another great American and leader of the Democratic Party, Woodrow Wilson, crystallized and gave expression to the aspirations of all the liberal forces of mankind who were seeking an improvement in world affairs. His solution was simple and purely American. He merely proposed to take the same fundamentals of the rights of man which had served as the foundation of our Government and apply them to nations, and to take the same rules of conduct which have guided us in our relations with nations, making them a law unto all nations, doing away with the idea of privilege as between nations, bringing all nations, big or small, forward or backward, upon an equal status before the law with equal right of protection if weak and with equal observation of the law if strong.

Unfortunately, the stress of war had been too great, and when hostilities ceased these principles were for the time being obscured and overcome by reaction to personal and national selfishness, and the same evil and blind forces of greed which had caused the great conflict again became predominant. What happened is still too fresh in the memory of everyone to require recapitulation. I merely suggest that you consider for a moment what brought on this conflict which almost destroyed civilization, and ask yourselves what we have done to repair the ravages of that war and to prevent such a recurrence, and what assurance we have, if any, which we did not have before for the future peace, stability, and prosperity of the world.

We are confronted to-day with conditions which threaten the peace of the world and with obstacles which are preventing the return of prosperity. In Europe we find a continent economically prostrate, with bankrupt governments, depreciated currencies, and a serious contraction in purchasing power. We find deeply embedded prejudices, fears, and selfish ambitions (such as those which led to the war and drew us in), which are preventing the return of prosperity and the stabilization of peace, and we find that the Turk is coming back into Europe. In the United States we see our exports constantly dwindling, we find our ships idle, we witness serious industrial conflicts, we see a growing movement of discontent in the agricultural districts, and we feel the excessive burdens of taxation.

Now, what steps has the Republican Party taken or proposed for coping with such a situation and preventing another war? Isolation, a still higher protective tariff wall, and ship subsidies, with their added financial burdens! The Republicans were most eager to get into power in order to reduce taxes and the cost of living, but when they have a chance they proceed to increase both by providing us with the most vicious protective tariff in our history. They were eager to stabilize exchange, to stimulate foreign trade, and to put our idle ships to work, and yet under the pressure of special interests to which they are indebted they took steps which prevent any such relief. The amusing discovery was made that if America had possessed a large mercantile marine it would have prevented the war. The administration is therefore advocating a ship subsidy in order to maintain our mercantile marine and prevent future wars. Disinterested students are unable to see how ships can be operated successfully unless the world is at work and unless there is a movement of goods inward as well as outward, and they are unable to see how a subsidy would create such cargoes.

This administration was willing to make all sorts of concessions and commitments for peace in the Far East but refused to do anything of the kind in Europe where peace is more threatened and where there is more at stake. Our present policy toward Europe seems to be one of holding aloof and allowing all sorts of calamities and atrocities to take place and then to send relief to the victims. If that is all we have learned from our experience in the war and if we have no more concern than that about what takes place in Europe, then obviously we made a terrible blunder when we entered the war.

The Republican Party has in the last two years proved its inability to cope with either the international or the domestic problems with which we are confronted. This party is still

wedded to false economic theories and dominated by selfish interests which prevent it from adopting measures which will permit a healthy economic recovery, and there is a conflict of view within the party which prevents it from adopting a constructive course which will assist in the stabilization of world peace, upon which our own welfare depends. The course which the Republican Party has taken has not only added to the difficulties of the situation in Europe but it has accentuated those in the United States.

In their different approach to these problems there has never been a more striking illustration of the difference in the influences and principles which guide the actions and mold the policies of the two great political parties. Some of the most able and progressive members of the Republican Party are opposed to the policy of isolation and are not in sympathy with the tariff policy of their party, but unfortunately they are not exercising any effective influence on party action. It is becoming more evident that the only hope lies in the Democratic Party and that if we are to have a solution it must come through a broader outlook on world affairs and the application of the political and economic theories held by the Democratic Party. Broadly speaking, the Democratic Party believes that each individual is entitled to equal rights and advantages. It is opposed to privilege for individuals as well as for nations. It is opposed to class legislation or to any policies which violate that principle by giving to any group of citizens aid, protection, or privileges which may be detrimental to the rights and interests of others and to the country as a whole. In keeping with this basic principle it is and always has been opposed to a tariff except for revenue purposes.

A tariff adds an artificial price to the protected article which is taken from the pocket of the consumer and put into that of the producer. This is not only unfair but the doubtful benefit to the producer is not sufficient to justify exacting from the consumers a bounty for the protection of articles which they could otherwise get cheaper. This practice starts a vicious circle of artificial prices which adds to the entire cost of living and also gets industries on such an artificial basis with consequent high costs of production that they can not in normal times compete successfully in foreign markets.

This practice of granting bounties to certain groups at the expense of other groups will inevitably lead to a demand by the unprotected groups for equalization of benefits and other Government aid which will ultimately lead to socialism or to the cessation of such preferential legislation.

Protection is destroying the morale and weakening our economic structure. It was originally imposed to foster infant industries and to protect them until they could get strong enough to stand and walk alone. Instead of strengthening them, it has had the reverse effect. Instead of growing stronger and requiring less charity, the protected industries, according to their own spokesmen, are growing weaker and requiring more nourishment. There is not an instance in our tariff history where the protected interests have acknowledged their growth to manhood and their ability to survive on their own efforts and efficiency. On the contrary, they have become so weak and inefficient, according to their own claims, that they have recently induced the Government to pass the hat around and take up, by means of the Fordney-McCumber tariff bill, a forced collection from the tax-burdened masses to the amount of at least \$6,000,000,000 per annum for the benefit of these industrial paupers.

As long as we were a debtor nation and not dependent upon foreign markets for the full employment of our laborers and the export of manufactured products without competition, we could follow unsound economic practices. We can not continue this now. As a result of the war we have become a creditor nation with surplus manufactured articles and farm products to export and a large mercantile marine to employ. We also have surplus capital, the export of which could be used to the great advantage of the world as well as of ourselves, provided it can be safely invested. But can you imagine how we can find purchasers for our surplus products, safe investments for our surplus capital, and employment for our ships unless the rest of the world is producing and selling its products? And can you believe after the experience we have just had that this can be done unless far-reaching measures are taken by all the principal powers, including the United States, to improve international relations and to cooperate in the adoption of political measures which will stabilize peace and set the economic forces free?

AMENDMENT OF PITTMAN ACT.

Mr. KING. Mr. President, I introduce a bill for appropriate reference. I am not sure whether it should go to the Committee on Finance or the Committee on Mines and Mining.

Mr. CURTIS. Let the title of the bill be read.

The bill (S. 4277) to amend the act entitled "An act to conserve the gold supply of the United States, to permit the settlement in silver of trade balances adverse to the United States, to provide silver for subsidiary coinage and for commercial use, to assist foreign governments at war with the enemies of the United States, and for the above purposes to stabilize the price and encourage the production of silver," approved April 23, 1918, was read twice by its title.

Mr. KING. I will say to the Senator that it is an amendment of the Pittman Act. I am not sure whether that act was considered by the Finance Committee or by the Banking and Currency Committee. My recollection is that it was considered by the Finance Committee.

Mr. CURTIS. I should think, from the reading of the title, that the bill should go to the Committee on Finance; but there are some matters covered by it that would be under the jurisdiction of other committees.

Mr. KING. Technically, it ought to go to the Committee on Mines and Mining; but my recollection is that the so-called Pittman Act came from the Committee on Finance.

The VICE PRESIDENT. The bill will be referred to the committee that had the original bill, which, the Chair is informed, is the Committee on Banking and Currency.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 47 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Friday, January 5, 1923, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate January 4 (legislative day of January 3), 1923.

UNITED STATES PUBLIC HEALTH SERVICE.

The following-named passed assistant surgeons to be surgeons in the United Public Health Service, to rank as such from the dates set opposite their names:

Roscoe R. Spencer, January 5, 1923.

Walter C. Teudel, January 7, 1923.

Paul M. Stewart, January 8, 1923.

Royd R. Sayers, January 6, 1923.

These officers have served the required time in their present grade and have passed the necessary examination for promotion.

APPOINTMENTS IN THE REGULAR ARMY.

INFANTRY ARM.

To be second lieutenants.

Pvt. Elbert Kelly, United States Army, unassigned, with rank from June 26, 1922.

Pvt. First Class Orestes Cleveland, headquarters One hundred and third Division, United States Army, with rank from June 26, 1922.

FIELD ARTILLERY ARM.

Pvt. James Harrison Dickie, United States Army, unassigned, with rank from June 26, 1922.

AIR SERVICE.

Richard André Peterson, of Illinois, now second lieutenant, Air Service, Officers' Reserve Corps, with rank from January 5, 1923.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 4 (legislative day of January 3), 1923.

PRESIDING JUDGE, UNITED STATES COURT OF CUSTOMS APPEALS.

George Ewing Martin to be presiding judge, United States Court of Customs Appeals.

DISTRICT JUDGES.

Henry W. Goddard to be district judge, southern district of New York.

Francis A. Winslow to be district judge, southern district of New York.

COAST AND GEODETIC SURVEY.

Aaron George Katz to be hydrographic and geodetic engineer with relative rank of lieutenant in the Navy.

Harry Louis Bloomberg to be aid with relative rank of ensign in the Navy.

POSTMASTERS.

ARIZONA.

Lannes L. Ferrall, Grand Canyon.
Warren F. Day, Prescott.

CALIFORNIA.

James F. Trout, Avalon.
William J. Ohlheiser, Crescent City.
George T. Fissell, Davis.
John V. Van Eaton, El Segundo.
George F. Bartley, Escondido.
George H. Gischel, Tracy.

COLORADO.

Earl E. Ewing, Colorado Springs.
William D. Asbury, Montrose.
Ira R. Wood, Ramah.

INDIANA.

Herman E. Goodwin, Clinton.
Harvey H. Galloway, Cromwell.
Charlie W. Elliott, Middlebury.

KANSAS.

David W. Naill, Herington.

MAINE.

Jessie E. Nottage, Solon.
Harry M. Robinson, Warren.

MARYLAND.

Earl H. Ault, Accident.
H. Vincent Flook, Boonsboro.
James W. Friend, Friendsville.
Howard J. Fehl, Smithsburg.

MICHIGAN.

Adam B. Greenawalt, Cassopolis.
George W. Weaver, Charlevoix.

MINNESOTA.

Nellie M. Watkins, Clinton.
Gunhild Sollom, Holt.
Carl A. Ecklund, Marine on St. Croix.
Norman Hanson, Renville.

MISSOURI.

Walter G. Gleck, Belle.
William T. Thompson, Eugene.
Robert F. Stalling, Lexington.
Eldridge G. Hoff, Stockton.

NEW YORK.

Samuel W. Berry, Maybrook.
Lewis E. Elston, Unionville.

OKLAHOMA.

Robert B. Morford, Lawton.

SOUTH DAKOTA.

Solomon Hoy, Fort Pierre.

UTAH.

George M. Jones, Richfield.

HOUSE OF REPRESENTATIVES.

THURSDAY, January 4, 1923.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, we thank Thee that Thou art the Father of the brotherhood of mankind. We bless Thee that there is a power, not of ourselves, that makes for righteousness. May this great realm of truth fill us with abiding and increasing hope and courage. Put us all in harmony with the good, the true, and the spiritual in Thy universe. Teach us with growing emphasis that the art of successful living is not in making our own way but in building true manhood for God and our beloved country. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

Mr. MOORE of Virginia. Mr. Speaker, I ask permission to extend my remarks on the resolution proposing a constitutional amendment relative to tax-exempt securities, for the purpose of printing a letter on the subject which I have received from Robert M. Hughes, Esq., of Norfolk, Va., who is a lawyer and writer of unusual ability and distinction.

The SPEAKER. The gentleman from Virginia asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

The letter referred to is as follows:

NORFOLK, VA., January 2, 1923.

Hon. R. WALTON MOORE,

House of Representatives, Washington, D. C.

DEAR SIR: Permit me to thank you for sending me in response to my request a copy of H. J. Res. 314, in relation to the reciprocal right of the Government and the States to tax each other's securities.

A careful study of it confirms me in the opinion that it should not pass, and I will take the liberty of giving you my views on the subject for what they may be worth.

As you know, I am a life-long Republican, but I do not think this question should be treated from a party standpoint, even though the administration should be back of it. I think it a high tribute to the present Congress that they are dividing on questions like this.

My first objection is that the proposed amendment if passed will tend to break down the mutual independence of State and Nation. I am enough of an old fogey to believe that each should work in its proper sphere without interference from the other.

Fiske, in his *American Political Ideas* (p. 133), says:

"Stated broadly, so as to acquire somewhat the force of a universal proposition, the principle of federalism is just this: That the people of a State shall have full and entire control of their own domestic affairs which directly concern them only and which they will naturally manage with more intelligence and zeal than any distant governing body can possibly exercise; but that as regards matters of common concern between a group of States a decision shall in every case be reached not by brutal warfare or weary diplomacy but by the systematic legislation of a central Government which represents both States and people."

In his *Critical Period of American History* he says:

"If the day should ever arrive (which God forbid) when the people of the different parts of our country shall allow their local affairs to be administered by prefects sent from Washington, and when the self-government of the States shall have been so far lost as that of the departments of France, or even so far as the counties of England, on that day the progressive political career of the American people will have come to an end, and the hopes that have been built upon it for the future happiness and prosperity of mankind will be wrecked forever" (p. 238).

In *Collector v. Day* (11 Wall, U. S. 113, 124) Mr. Justice Nelson, of New York, said:

"The General Government and the States, although both exist within the same territorial limits, are separate and distinct sovereignties, acting separately and independently of each other within their respective spheres. The former in its appropriate sphere is supreme; but the latter within the limits of the powers not granted, or in the language of the tenth amendment 'reserved' are as independent of the General Government as that Government within its sphere is independent of the States."

The proposed amendment substantially provides that the National Government may tax the income of State securities, provided that it lay the same tax on the income of national securities; and conversely that the States may tax the income of national securities, provided it lay the same tax on the income of State securities. In other words, the idea seems to be, that the best way to preserve the mutual independence of our two governments is to make them mutually dependent.

I can not imagine a greater firebrand than such a provision. It invites endless tax wars between State and Nation. We are all familiar with Marshall's famous statement that the power to tax is the power to destroy. No mortal can say whether the State or the Nation would be most imperiled. In the past the Nation has almost invariably triumphed in contests with a State. This provision, even if not acted on by Congress after its insertion in the Constitution, would destroy the market for State and municipal securities and prevent their issue in great emergencies for the most necessary purposes. The liability to taxation would have this effect, even though the right to tax was not exercised.

Suppose that such an amendment had been in force at the time of the Galveston storm or the San Francisco earthquake. Could those cities have negotiated any bonds, except at ruinous rates of interest?

But circumstances might arise in which the right of a State to tax the income of national securities would be equally disastrous. Suppose that we should become involved in a war which was unpopular in the wealthy States, or what might be called the creditor States. The obligation to tax their State issues would have small effect with them in comparison with a national loan. The legislatures of such States could break up the sale of Government securities within their States by the imposition of a heavy tax on their income.

This is no hypothetical case. It is a fact of history that the New England States were violently opposed to the War of 1812, which they called "Mr. Madison's War," and went to the verge of secession on its account. It is equally well known that many States were opposed to the Mexican War, which they looked upon as an attempt to extend the slave-holding area. In the World War it was stated in many newspapers that some of the States with large German populations were not in sympathy with the war. Whether the statement was true or not, I do not know; but the fact is that the State debts of Missouri and Wisconsin are small, and would not be considered if the right were given to tax Federal bonds.

We can not say now whether the national debt will be paid off rapidly, as in the past, or not. If we branch into Government ownership, we know that it will not be. Where will the advocates of Government ownership float the bonds which they will have to issue in payment of mines, railroads, or other properties which they classify under the name of Government utilities?

If two sovereignties have a mutual power of mischief, history proves that they will exercise it. We have but to recall the tariff war between New York, New Jersey, and Connecticut which contributed so largely to the adoption of the Constitution.

Those States were bound together by the most sacred ties and had just emerged from a devastating war of six years' duration which they had fought shoulder to shoulder. And yet the power of mutual mischief almost made them fly at each other's throats. In view of this experience, how can we wonder at the differences among the allies of the recent war? And how can we avoid the conclusion that such